Montreal Plans for Subways (p 11)

THE FINANCIAL POST

The Canadian Newspaper for Businessmen and Investors

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The Nation's Business

Public Understanding Only Key to Success

While the government cogitates on the majority and minority reports of the National War Labor Board in respect to wage and labor relations in Canada, it is clear that the ultimate fate of Canada's two-year old price ceiling policy hangs in the balance.

Donald Gordon has warned that the pressure against the ceiling is becoming insupportable. There is reason to fear that the recommendations of the McTague Board, taken in conjunction with the government decision on steel wages, would spell the end of the present ceiling policy if they were adopted.

Mr. Gordon argues that the alternative to the present price ceiling policy is chaos. Some of Mr. Gordon's own administrators and senior officials differ. They apparently take the view that even if Canada had to abandon the present price ceiling policy, there would still be a wide field in which a useful policy of price control could operate.

It is unfortunate that these differences of opinion exist in high levels in Ottawa. The job of educating the public on the urgent necessity of anti-inflation controls would be hard enough if Ottawa itself were united in the matter of wage and price policy. With Ottawa itself divided the job of public education becomes tremendous.

One thing is very clear: a new and more positive approach must be made to the problem of price control; an approach which will win a wide measure of support among all classes of Canadians and among Mr. Gordon's own administrators themselves.

Despite the earnest missionary work done by Mr. Ilsley and others in speeches and articles; despite the spate of publicity and information distributed by WPTB, the fact remains that there has not been complete success in educating the average citizen on the positive and personal advantages of anti-inflation control. Nor apparently has there been widespread success in satisfying individual administrators as to the wisdom and soundness of the present policy of a rather rigid price ceiling.

The price and wage control aspects of an anti-inflationary policy can be only as successful as the mass of the Canadian people are willing and determined to make them successful.

Perhaps no more difficult and complex job in mass education was ever attempted than that of WPTB: convincing a nation that hardships today are necessary to prevent more cruel and desperate hardships tomorrow.

* * *

THE RIGHT WAY TO DO THIS JOB

In the United Welfare Fund, Toronto achieves an economical and efficient instrument of collecting funds for her welfare agencies and sets an excellent example for all other communities.

Replacing 18 fund-raising campaigns embracing 76 welfare organizations, the United Welfare Fund involves a single campaign Sept. 20 to Oct. 1.

Because of the obvious savings in administration and promotion costs, substantially more of the citizen's dollar will be devoted directly to the work for which he gives it.

Very important in these strenuous days is the fact that the 6,000 canvassers who will assist will now be called upon for only one campaign. In the past many willing and public-spirited men and women were called upon to help in several or many different campaigns.

Goal for this year is $1,553,226, the same amount as was raised in 18 campaigns last year. Money raised this year will be distributed pro rata among the 18 combining organizations.

The United Welfare Fund is an experiment agreed upon for one year only. It is said to be the most complete consolidation of welfare fund raising achieved in any Canadian city. The union should commend itself to every citizen devoted to the welfare cause. It is sincerely to be hoped that the "experiment" will continue.

* * *

UNDERMINING THE INCOME TAX

In a most significant editorial, the Canadian Chartered Accountant calls attention to the influences which are threatening to undermine our system of income taxation. Says this editorial:

> " . . . the income tax advocates could always urge that, no matter what level of taxation should be reached, it would be share and share alike, with no class distinction and no favors. This principle has now been abandoned, and with it has been swept aside the main support of income tax as the leading form of revenue. Superficially, the war is to blame, for the exemptions of soldiers' pay and living expenses is the widest class exemption to date.
>
> "A second group comprises those thinly disguised living, car and similar allowances which have been devised in some departments of the public service in order to foil the power of the branch which is trying to collect taxes.
>
> "Of course, unnecessary expense allowances of one kind and another also exist in private business, but the income tax division has declared war upon them to the death. This gives additional point to the remark of the judge in a recent case, to the effect that it was all right for one department of the Dominion Government to invent a tax-free allowance but that, inferentially, it would be all wrong for any other government or any corporation to attempt this."

In the last session of Parliament, the practice of granting cabinet ministers a flat tax-free car allowance of $2,000 per annum was severely criticized. This allowance is paid regardless of the amount of driving done by the individual minister. Mr. Ilsley himself admitted that "There are other ministers who, of course, do not spend anything like the $2,000; and I am very well acquainted with one of them." Yet if cabinet ministers are accepting expense money which they do not require, it is clear that their salaries are being increased by up to $2,000 on which they pay no tax, and this at a time when the private citizen is being taxed more heavily than at any time in Canadian history.

In debating this inequitable system of unjustified allowances, Parliament's major concern was not to put an end to a practice which is undermining our income tax structure. What the speakers on both sides of the house were most concerned about was the fact that private members do not receive a car allowance for covering their constituencies, that civil servants in receipt of a house allowance have to pay taxes thereon, in short, that too few, not too many, allowances are being made.

Obviously, if cabinet ministers need $2,000 a year for automobiles which some of them don't drive to nearly that extent, thousands of businessmen across Canada need at least as great an allowance for driving their cars to work; non-drivers need to be able to deduct the money they spend on carfare, and so forth. If civil servants need tax-free house allowances, so do hundreds of thousands of private citizens whose jobs demand that they live in high-rent areas close to their work.

In short, Ottawa must soon face the issue that it has been devising one set of tax laws for officialdom and another, harsher law for the people of Canada. As the Canadian Chartered Accountant points out, inconsistency of this nature will ultimately undermine the principles of justice and fairness which have been the main props of the income tax system.

A complete review and housecleaning is long overdue, but despite a constant outcry from the public and the arguments of many of Ottawa's ablest taxation officials, officialdom refuses to budge.

Dosco Shifts Production Emphasis

Larger Share of Steel for Plates and Rails — Coal Output Hit by Manpower Shortage

From Our Own Correspondent

MONTREAL.—Operations of Dominion Steel and Coal Corp. are continuing at capacity in relation to the manpower available. On the other hand, costs are continuing to mount and earnings for the year are expected to reflect this condition, The Financial Post is informed.

With over 700,000 tons of steel capacity, Dosco is finding no let-up in demand. The type of steel being produced, however, and the uses to which it is being put are undergoing changes as emphasis on wartime requirements moves from one product to another.

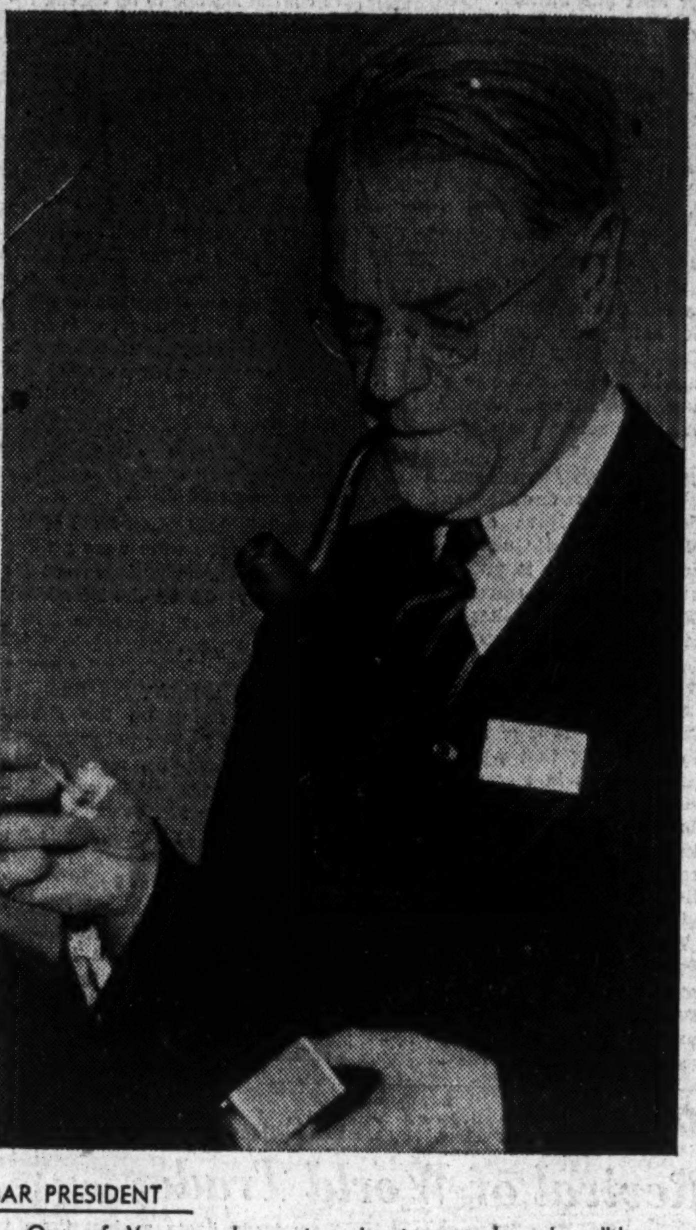
At this time the Sydney plant's output is going into ship plate, rails, nails, wire rods, etc., in the order named. Demand for special steels to make guns, bombs and other forms of armament and munitions has eased off appreciably. The overall picture is that a use is found for every ton of steel produced by the company.

Operations of the reconstructed 110-inch plate mill are proceeding smoothly. Canada's huge shipbuilding program has called for an exceptionally large tonnage of ship plate and will likely do so for many months to come.

The rolling of steel rails is a comparatively new development. During the earlier war months steel for armament and munitions took precedence over everything else. Because of heavy traffic, rails have worn out and need to be replaced, hence the return of this item to Dosco's list of products.

The expansion program at Sydney is well on the way to completion. Early in the year the open

(Continued on page 2, col. 3)



BAR PRESIDENT

One of Vancouver's most eminent counsel and well-known criminal lawyers is Royal Lethington ("Pat") Maitland, K.C., new president of the Canadian Bar Association. His career has been a double-barrelled one, the activities of the red-headed, Ontario-born Maitland having been directed simultaneously along legal and political lines. A member of the firm of Maitland, Maitland, Remnant and Hutcheson of Vancouver, a bencher of the Law Society of B. C., and vice-president of the governing body of the legal profession of Canada from 1939-1940, Mr. Maitland is attorney-general in B. C.'s coalition government which took office in Dec., 1941, and leader of the B. C. Conservative Party. The new president has been associated with the Conservative forces in B. C. since 1911 when he was secretary of the Vancouver Conservative Association.

Elson from Washington

Political Friction Spreading

- **Tempest in U. S. State Department**
- **Solution Russian Enigma Hampered by Home Front Difficulties**
- **Biggest Information Job of War to Tone Down Current Optimism**

● The biggest news in Washington this week turned on the delicate problem of relations with the Soviet Union and the crisis in the State Department. This arises out of the resignation of Undersecretary of State, Sumner Welles, and charges by Drew Pearson, Washington columnist, that his going leaves the American foreign policy administered by men who are anti-Soviet and that the secretary of state, Mr. Hull, would like to see Russia bled white.

Hull denounced these accusations as "monstrous and diabolical falsehoods." Next day President Roosevelt, supporting his secretary, said that this was a deliberate lie and that columnist Pearson was a chronic liar in his column. Mr. Roosevelt said the publication of such charges was very detrimental to the unity of the United Nations and an act of bad faith to this man's country.

Reason for the President's almost unprecedented anger was plain enough. The controversy over American foreign policy and the attack of the "Totalitarian Liberals"—as they have been called here—has greatly handicapped our dealings with the Russians by increasing their suspicion of British and American intentions.

Pearson's columns and the other attacks of the critics of French policy, and those who charge Britain and the United States are opposed to democratic elements in Europe are reported faithfully to Moscow. They contradict our own declarations to the Eastern ally. They raise an emotional issue on a subject where reason, and not emotion, should rule.

Roosevelt and Churchill have both declared for a meeting with Stalin. Obviously such a meeting, as well as a meeting between the foreign ministers which the Prime Minister suggested in his Quebec broadcast, depends upon advance preparations and exchanges of views. Actually speaking, progress has been made. The more we intensify the war against Germany the more rapid that progress will be. But a three-power meeting may still be some distance off. The basis for an agreement must be laid before the "Big Three" finally meet. When that meeting is announced you can rest assured that on most matters there was agreement long before the principals shook hands.

● One of the major handicaps is not necessarily the Russian enigma but the difficulty in formulating a policy here in the United States. The President cannot make commitments without the sanction of Congress. He must move forward only with the support of public opinion. He can lead only by glancing backwards from time to time to be sure he isn't getting too far out in front. And lasting agreements with the Soviet Union require commitments as binding as the 20-year pact with Britain.

Mr. Roosevelt is acutely aware of this difficulty and has led his country far and more fully in the field

(Continued on page 2, col. 4)

Postwar Planning

Plains Area Would Boost Trade

Manitoba and Minnesota Tackle Mid-continent Problems

Report of the studies carried on under the auspices of the Manitoba and Minnesota governments, now published, is of significance for two reasons: it is a joint effort to settle the problems of an area, disregarding the international boundary, and it takes into account the allied problems of other North American areas, particularly those of the industrial east, in its recommendations.

From Our Own Correspondent

WINNIPEG.—A three-fold proposal for the postwar reorganization of world trade has been thrown into the forum of public discussion by a joint Manitoba-Minnesota economic study group.

The proposal, issued in a brochure titled "The Mid-Continent and Peace," envisages the following objectives in economic planning after the war:

1. That Canada, the United States and Britain, with the co-operation of Russia and in concert with the countries of western Europe, shall make arrangements whereby all the western European countries will undertake within a specified period to receive surplus agricultural products from surplus producing countries in maximum amounts, thus releasing agricultural resources of western Europe for more profitable uses.

2. That Canada and the United States co-operatively reorganize their automobile-producing industries to secure for Canada maintained employment for her workers in her automobile factories and secure substantial reductions in the cost of automobiles to Canadian buyers; the United States section of the industry likewise will secure a larger output of automobiles and some reduction in cost; and

3. That the agriculture of the Prairie Provinces of Canada and of the Central Northwest United States continue after the war to follow further the lines of agricultural specialization that will have been developed by each during the war.

These suggestions are proposed primarily as a "talking point" by the authors of the brochure, Professor Arthur R. Upgren of the University of Minnesota, and Professor William J. Waines of the University of Manitoba.

They have been put forward to stimulate public discussion with the hope that the principles involved may eventually guide those men who will represent Canada and the United States in drafting the final peace settlements. Although they are a result of a project sponsored by the Manitoba and Minnesota governments, they do not necessarily represent the ideas of those two administrations.

It was in 1941 that two men soon to become national figures in their respective countries set in motion the machinery for study of the economic problems of the mid-continent area and of possible solutions. One was Premier John Bracken who shortly afterward became leader of the Federal Progressive-Conservative Party. The other was Governor Harold E. Stassen of Minnesota, youngest state executive in the United States, who was being mentioned prominently as a Republican presidential prospect when he left his post for service in the United States Navy.

For two years committees within the universities have been tackling the project and the suggestions now released represent their preliminary report. The Minnesota committee was organized under Dr. Upgren, professor of economics in the state's School of Business Administration, and vice-president and economist for the Federal Reserve Bank of Minnesota, who was author of the report. His associate was Dr. Waines, an economist who served with the Rowell-Sirois Commission.

The task that the two committees undertook centred on the peculiar problems of the great midwest, intermountain area; but apparently as they began their study they found the regional economic problems closely interwoven with world economy.

They found, too, that prosperity in the vast agricultural areas of the

(Continued on page 2, col. 4)

Canadian Made Synthetic Tires Become Available Sept. 1

100% Buna Tires Being Turned Out at Rate of 10,000 a Month for Priority Vehicles — Expect New Rubber to Give 80% as Good Service as Natural Product

By KENNETH R. WILSON

OTTAWA.—First passenger car tires ever made in Canada from synthetic rubber are being distributed to the trade and to the public as at Sept. 1, The Financial Post is informed.

The new tires are 100% synthetic rubber and contain no crude. They are priced the same as pre-war crude rubber tires and in the opinion of rubber control officials should give 80% as good service. Current rate of production is 10,000 tires a month. They are available, of course, only to high priority users such as farmers, war officials, etc.

Since there is a ban on the use of the words "synthetic rubber" in respect of advertising by Canadian tire and rubber companies, there will be no "announcement" display of the innovation, which makes important industrial and automotive history so far as the Canadian tire companies are concerned.

When the original programme for manufacture of synthetic tires was planned it was not thought possible that synthetic tires could be successfully made without using a certain percentage of crude. Though the problem is thought to have been satisfactorily solved in the case of passenger car tires, there are tough and very difficult problems yet to be solved before truck tires of 100% synthetic rubber which will stand up under heavy loads and great heat are available.

Made from Imported Buna

These tires are fabricated in Canada from Buna rubber imported from the U. S. Canada's Buna plant at Sarnia is now in production on certain of the ingredients for Buna rubber, but the main ingredient—butadiene—will not be made here for some time yet.

By September, it is hoped, Canada will be making small quantities of Buna rubber but using imported butadiene from the U. S. By the end of the year the Sarnia plant (only one of its kind on the continent having a complete and integrated synthetic rubber plant in one location), is expected to be fully completed and in a position to steadily increase its rate of production.

But the fact that Sarnia is getting ready to produce 34,000 tons of Buna rubber a year does not mean immediate relief for the average motorist.

Actually the demands of "essential" users in Canada have greatly increased in the past year even though very few additions have been made to the list. For example, the demand for tires from Canadian farmers in recent months has been very substantial, and is increasing every week. Thus it is expected that demand from the present list of essential users will parallel pretty closely the increasing supply of Buna tires in Canada. Some additional categories of car drivers may be added gradually to the list of those permitted to buy tires, but not for some months at the earliest. At the present time there are still about 750,000 car owners who do not qualify for tires of any kind.

"Reclaims" Have Good Record

The new Buna tires are being used to replace the sale and distribution of reclaim tires which Canadian plants have been turning out at the rate of 20,000 a month. Except for taxicabs, these reclaim tires have been very satisfactory in the view of rubber control officials. They give up to 8,000 miles with careful driving, which would be four years service to the holder of an AA ration book. For taxis they were found not good enough and are no longer being issued for that purpose.

Both reclaim and the new synthetic tires will bear the name of the maker but will use no "brand" names. They will be sold as war tires. Reclaim tires sell at 80% of the price of crude rubber tires. So far only prices that have been agreed on for the new synthetic tires are passenger tire prices. There is still a great deal of controversy as to how much truck tires made from synthetic rubber are worth—and should bring.

It will probably be a year before the expected mileage from Buna tires can be verified. Also there is some controversy as to whether rayon or cotton fabric gives the better results. Rubber control authorities bet on rayon and the expectation is that synthetic rubber truck tires will have to be made entirely with rayon base.

Truck Tires a Headache

As has been recently disclosed by various reports from Washington, the situation on truck tires made from Buna is far from satisfactory. The heavier loadings and greater heat build-up in larger sized tires is a problem still unsolved.

Thus, as has been anticipated, the real bottleneck in the synthetic rubber program is in the tire plants themselves. It is a slow and tedious job because of the time which must elapse for testing the new products. Actually there is more Buna rubber

(Continued on page 2, col. 8)

Junior Issues Said Behind Abitibi Plan

Work on reorganization plans for Abitibi Power & Paper Co. is still being carried on behind closed doors, but details of one plan which is under consideration jointly by the common and preferred shareholders' committees was reported this week.

The plan, which is only one of several being discussed, and which apparently would require bondholders' approval to get anywhere, would eliminate the present preferred issues by exchanges of common shares, it is reported.

Would Extend Interest Dates

Details of the reported plan lack confirmation by the committees concerned. They include: an eight-point capital repayment to bondholders immediately which would mean a total of 50% repayment on bondholders' principal; payment of 5% interest on the reduced amount of principal; and extension of coupon due dates by 12 years which would make the coupon due June 1, 1932, mature on June 1, 1944.

With this set-up, the company would be obligated to pay annually the equivalent of 18 months' interest on the original funded debt; that is, one year of current interest on the reduced funded debt (half the former total) and one year of past due interest on the original par value of bonds.

Under the plan, as reported, bond holders would be asked to give up any further claim to interest on interest and any claim for payment in U. S. funds on the 50% of face value repaid. It is suggested, however, that some common stock might be given them in compensation. The remaining principal and interest, however, would continue to be payable in U. S. funds.

The plan is reported to involve exchange of each share of present 7% preferred stock for 10 new common shares and each 6% preferred share for 4½ new common shares and every six shares of present common stock for one new.

From what The Post is informed, the situation as regards taxation was given particular consideration in this plan and payment of interest over a period would mean that interest will not necessarily be taxed during a time of high income rates as at present. There have been a number of court cases recently which have an important bearing on the case, it is stated, and these were given due consideration in developing the plan.

What Are Implications Of Welles' Resignation?

Fear Shift May Affect Postwar Trade Treaty Negotiations — Choice of Successor Vital Matter to Canada

By STAFF WRITER

OTTAWA.—It is believed here that the ultimate character and extent of billions of dollars worth of postwar trade may be affected by the reorganization of the U. S. State Department heralded last week by the resignation of the department's second-in-command — Sumner Welles. Great importance is attached to the choice of a successor to Mr. Welles.

What interests the East Block especially is the effect which this major shift in America's Foreign Office will have on the whole question of trade treaty negotiations in relation to postwar. There is a feeling here in Ottawa that Cordell Hull, though exceedingly friendly to Canada and to a broader U. S. foreign policy, is still a man who thinks in terms of bilateral rather than multilateral agreements.

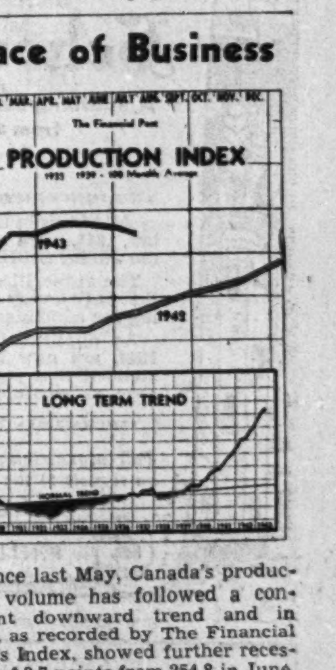
The important U. S. Trade Agreements Act which has recently been renewed and which is a Hull progeny, is essentially a bilateral trade treaty mechanism. Under this Act the President is empowered to make individual arrangements with individual countries with specific power to scale down existing tariff rates by anything up to 50% in return for some quid pro quo from the particular country with which negotiations are being carried on. True, the various individual agreements made under the Act are tied together by most favored nation clauses, but essentially the Act is a bilateral mechanism.

What Canada (in harmony with Great Britain and other Commonwealth countries) feels to be vital and necessary for the future well-being of the United Nations, is a new and much broader approach—an approach to postwar world trade which would be essentially multilateral—that is, would provide a means whereby a number of nations would reach agreement (multilaterally) on a trade, currency or lending program rather than have postwar decisions settled merely as between individual nations one by one.

What Canada and possibly other members of the Commonwealth would like to achieve within the very near future would be an entirely new approach to postwar trade—an approach that would leave the old U. S. Trade Agreements Act far behind in terms of an effective, up-to-date instrument for postwar policy.

Accordingly the recent happenings at the U. S. State Department, and especially the type of man which Mr. Hull picks as his right-hand associate and administrator, is a matter of the very greatest interest here in Ottawa.

Pace of Business



Since last May, Canada's production volume has followed a consistent downward trend and in July, as recorded by The Financial Post's Index, showed further recession of 3.7 points from 254.8 in June. High point in production history was reached in April. Three consecutive declines having since occurred, it is evident that the advance since outbreak of war has definitely flattened out.

Factors indicating the trend of production were uneven in July as compared with the preceding month:

Gold receipts at the Mint rose from 298,000 fine ounces to nearly 328,000.

Raw cotton consumption by the textile industry showed a decline due to manpower shortage. Total was 14,281,000 pounds against 15,176,000 in June.

Newsprint production rose from 257,845 tons to 262,323. Timber scaled in British Columbia was 268.5 million feet, against 270.8 million in the preceding month.

Revenue freight carried in July was lower than in the preceding month but carloadings numbered 299,592 against 297,351.

Complete statistics on the progress of business are on page 7.

MEN'S SHOP
FINE APPAREL FOR MEN

COOLER DAYS AHEAD!

We don't want to appear unduly hasty in ushering out the warm summer days ... Nevertheless, topcoat days are just around the corner, and it's just as well to be prepared.

The Men's Shop selection of topcoats is noteworthy for their fine fabrics, and for the distinction of their styling, shades and patterns ... Burberry's, Leishman's and Society Brand are among the well-known makers — and there are more besides.

If you are looking for a topcoat which will wear longer, a topcoat which will hold its quality air as long as you wear it, then visit the Men's Shop topcoat section ... You'll have a better choice now than later on ... Priced from $37.50 to $60.00.

Also make a point of seeing the fine suits and suitings.

THE MEN'S SHOP
Civil and Military Outfitters
Cor. Bay and College Streets

EATON'S - COLLEGE STREET

The War and Business

By BRUCE MacKINNON

Loan Takes Shape

Organization for Canada's 5th Victory Loan is rapidly rounding into shape. It is expected the loan will open on or about Oct. 18. No definite figure yet decided on the objective, but Canadians will be asked to subscribe for at least as much as in the 4th loan or better than $1.3 billions.

Coal Facts

Ultimatum as issued to consumers by the Office of the Coal Controller of the Department of Munitions and Supply: "If you agree to take 25% of your coal fuel requirements for the year ending June 1, 1944, in high volatile bituminous coal, you can get delivery of the remaining 75% in Class A fuel. If you do not agree to this, you can only get delivery of half your requirements of Class A fuel." Well! Well! It would be interesting to know if any red-flanneled, rugged individualist refused to sign.

Handicraft Renaissance

All across Canada, and particularly in Nova Scotia, New Brunswick and Quebec, efforts are being made to put Canadian handicrafts on a sounder paying basis. The drive takes three directions:

To make a more standardized, generally useful product—switching craftsmen from the "tourist knickknack" type of merchandise to something that will stand on its own feet in any market, yet retain the stamp of the craftsman. In the Maritimes it is hoped to turn craftsmen to work that they can use themselves, thus raising living standards as well as providing extra income.

To improve production methods generally, introducing electric machinery wherever possible, substituting sun-fast dyes for natural dyes, but preserving the natural dye colors.

To arrange for pooled purchasing in order to lower raw material costs.

If the program achieves its objects, Canadian craftsmen will enter into a large number of new fields. A sample is production of beads from Canadian stones. Canadian moonstone has hitherto gone to central Europe to be carved into beads by "craftsmen with generations of experience behind them." Canadian investigators have been checking up on some of these beads, have found that the "skilled craftsmen" were nothing more than a tumbling machine which tumbled chunks of moonstone over and over in an abrasive mixture until the stones become perfectly round. The same sort of eyewash has been fed Canadians on a number of other products, it is believed, with some of the cases proven. Craft-boosters want to see some of these machines operating in the small workshops of Canada.

Good Credit Risk

Back in 1923 when most of the world thought wars were a thing of the past Norway borrowed $20 millions at 6% on the New York market. Week before last, through its government in London, this Nazi-victimized country paid back $991,000, the final installment owing on the debt—thus adding further to her reputation for staunchly meeting her obligations, war or no war. Today only one of Norway's dollar debts is outstanding. This is for a 6% loan of $25 millions contracted in 1924, all but $2.5 millions of which has been paid off, according to the Royal Norwegian Government's press attache in Canada. That Norway has been able to pay her own way all through the war, this Norwegian representative says, is due to the earnings of her merchant marine, fourth largest in the world.

* * *

Late Arrival

The U. S. Office of Price Administration is only now taking a step that WPTB initiated almost at the beginning of its career—enlistment of housewives and other consumers to aid in enforcement. Housewife recruits to the price police brigade pledge themselves not to deal in any black market, and are equipped with official ceiling price lists. Their job, when they run into a price-busting retailer, is to call the retailer's attention to the error, report him to OPA if he does not immediately correct it. As in Canada, consumer complaints are the most effective enforcement medium for price control.

Canadian Workers *Speed* The Tanks

In this war of machines, Canadian factories are participating with force. Tanks, armoured vehicles, and many other needed war machines are streaming forth to carry the fight to the foes of freedom. Manpower is the greatest factor behind the production of machine power—labour and management, shoulder to shoulder, in a struggle to out-produce the Axis. Throughout Canada in hundreds of branches six thousand men and women of the Bank of Montreal are helping by war-time banking service.

BANK OF MONTREAL
"A Bank Where Small Accounts Are Welcome"
Modern, Experienced Banking Service .. *the Outcome of 125 Years' Successful Operation*
A 17

McTague-Cohen Report An Election Springboard?

By STAFF WRITER

OTTAWA.—There is considerable questioning here as to whether or not the McTague-Cohen recommendations on wage and labor policy, now in the hands of the government, contain the makings of a general election appeal.

It is thought certain that had the report been unanimous it might easily have provided Mr. King with exactly the sort of springboard from which he could have announced a spectacular new price-and-wage deal for workers and farmers alike, and on which he might have based his next appeal to the electorate.

This thought is believed to have been in the mind of J. L. Cohen when he submitted his minority report.

In submitting a minority report, it is felt here that Mr. Cohen has given his laborite and socialist supporters a separate plank on which to stand if Mr. King goes to the country and attempts to use the McTague recommendations and subsequent government action as part of any general election talking points.

It is indicated here that there is fundamentally not much difference between the McTague and Cohen reports (especially in regard to recommendations on labor relations policy) and that under other circumstances there is no valid reason why the report should not have been unanimous.

Synthetic Tires Now Available

(Continued from page 1)

available for use on the continent today than can be manufactured into first-rate tires. More Buna can be brought into Canada as manufacturing problems are solved.

Stock Pile Still Standing Up

Fortunately, because Canada's crude stockpile has lasted longer than expected and because of the rigid economies and restrictions which have been put into effect, we aren't anything near the "danger" point so far as inventory of pre-war crude rubber tires is concerned. No one will give the exact date, but it will probably be the middle of next year before the stockpile runs out

Plains Area Looks to Revival of World Trade

(Continued from page 1)

west was closely related to conditions in the industrial east and proposals for one area necessitated proposals for the other.

"It is commonly said that agriculture is our 'basis industry' and that it is our greatest 'source of wealth,'" the authors remark. "It is much closer to the truth to say that industry in our country now has this pre-eminent position. Our agriculture now depends upon the healthy condition of industry, both at home and abroad, for the existence of its markets and the maintenance of its own health."

The report makes definite suggestions for the organization of marketing in wheat and automobiles only as representative products of the field and factory.

They were selected for special study because they represent the greatest and second greatest export products of Canada and important surplus products of the United States.

The authors of the report point out that Canada and the United States still would have sizeable surpluses of certain basic products even if they carried out the maximum amount of trade possible with each other.

At the same time western European countries, which would benefit from the import of these surpluses, have in recent years shut their trade doors against them in the interests of self-sufficiency. It is argued that western Europe would benefit materially if it accepted imports of basic materials produced in North America and other surplus-producing countries and concentrated on specialized farm and industrial products of a noncompetitive nature.

For instance, in 1936, when wheat was selling at about $1 in Canada and a few cents more in the United States, Germany and Italy were growing their own at $2.29 and $2.47 a bushel respectively.

"If we are correct in assuming that the agriculture of a nation exists to serve the people of that nation the job as it has been done in five western European deficit, consuming-countries is a poor one indeed."

The report fixes at $1,517 millions the total cost of "self-sufficiency" programs in Germany, France and Italy in 1936 alone. It suggests that, if such policies are abandoned, the consumer in those nations after the war will be able to buy wheat at only a few cents more than the price in the surplus-producing countries with profit both to themselves and the sellers.

The producing countries, of course, would have to import the special products of western Europe wherever possible to ensure a healthy economic position on both sides.

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our Business

"Our business is to look after those who are often overlooked in social planning—the widows and orphans of men who had the courage to save for their own and their families' sake. Higher taxation and lower interest rates mean smaller returns from savings. Necessary in wartime, these hit hard the inarticulate people—widows and orphans; they have no union to protect them and no voice to speak for them. The Trust Company spends its time and performs its services to help them live."

From the President's address at our Forty-third Annual Meeting.

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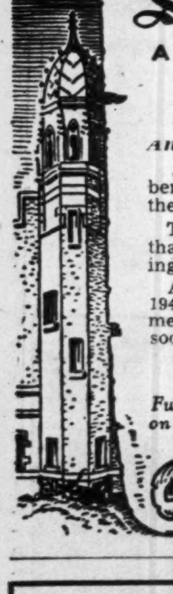
A Boarding School in the Country for Boys from 8 - 18 years of age
Separate Junior School
Announcement ...
All places in the Senior School for September, 1943, were taken at the end of June, and the Junior School was filled early in July.
The authorities of the school deeply regret that only a very small number of those applying for admission could be accommodated.
As applications for entry in September, 1944, are now being received, it is recommended that parents make their request as soon as possible.
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For Calendars and information regarding fees, apply
THE REGISTRAR, Lennoxville, Que.

Dosco Shifts Production

(Continued from page 1)

hearth furnace, transferred from Ojibway to Sydney, was blown in.

While no further additions to plant capacity are under way, the company is still working on a $1.9 million ore beneficiation plant and 700-ton mixer. This work is not expected to be complete until the end of the year.

The new beneficiation plant and mixer is regarded as of first rate importance, not only in respect to furthering the war effort but in improving the company's peacetime position.

This work will result in an increase of about 60,000 tons in the effective annual capacity of the steel plant, without increasing the capacity of the open hearth, blast furnaces or consumption of coke.

The new plant will permit Dosco to dress and screen the iron ore to a uniform size for transmission to the blast furnaces. This will result in the use of considerably less coke through more uniform heat. The molten iron will be fed from the different furnaces to a mixer and in turn to the open hearth, again permitting considerable economies and greatly increased efficiency through eliminating delays.

The other capital project under way this year is the installation of an additional electrical generating unit at No. 3 colliery. Equipment was received recently from the English manufacturers and the work of installation is practically complete.

Among subsidiary activities, it is understood, Canadian Bridge is busily employed in connection with the shipbuilding program.

Consideration is being given to a plan for the most effective use of Canadian Tube and Steel Products, control of which was acquired by the company several months ago.

Operations at the Wabana iron ore property are now on a 4-day week basis. Production is on an annual basis of somewhat less than a million tons. Nearly twice this quantity can be produced, but output is controlled by available shipping and the scale of operations at Sydney.

Coal mining operations directed by the company and through its subsidiaries, Dominion Coal Co. and Acadia Coal Co., are well below capacity. This reflects a shortage of manpower.

For the first seven months of 1943 the Cape Breton and Springhill collieries of Dominion Coal Co. hoisted 2,230,057 tons. For the like period last year production totalled 2,756,409 tons.

Elson from Washington

(Continued from page 1)

of foreign affairs than any man in its history. Like Churchill, he won't rest until they have met Stalin. Of that be sure.

Meanwhile the resignation of Sumner Welles, which is reported to lie on Mr. Roosevelt's desk, is another Washington tragedy borne of misunderstanding. Hull has the prestige, but he is 72 and cannot carry on forever. Welles has the elasticity of mind and the objective approach needed to break new ground in foreign policy.

The two men did not, it appears, have an open break on policy alone, for on a number of major issues they were in agreement. The left embraced Welles as one of their own in the crisis, but he was essentially an enlightened Conservative who was not bent on reforming the world. In the crisis, however, Roosevelt had to abandon Welles because Hull commands prestige second only to himself and has real political power. If Hull had resigned the breach in democratic ranks would have widened and Roosevelt's policies compromised.

The outcome is not yet certain, in that Welles may yet be appointed an ambassador-at-large although relieved of his policy-making powers at home. Among those mentioned to succeed him as Undersecretary are Norman Armour, at present United States Ambassador to Argentina and former Minister to Canada, and James C. Dunn, political adviser, who attended Hull at the Quebec conference.

The controversy may serve one good purpose in that it will focus more attention upon need for a firm foreign policy in this country and a vigorous statement of American objectives.

How near are we to victory in Europe? The most positive answer yet returned was given by Brendan Bracken, Britain's Minister of Information, here this week. He said there is no possibility that our axis enemies would be destroyed this year and he did not believe the German armies would collapse.

Coming on the heels of Prime Minister Churchill's warning that all speculation on the duration of the war should be considered as "vain and unprofitable," Bracken's statement must be regarded as a reflection of very real concern at the optimism prevalent throughout this continent.

This does not infect only the uninformed or the "working stiffs" in shipyards and factories, but runs right through business communities. It is difficult to counteract because news from every war front seems to confirm the cheerful estimate that Hitler is finished. No one here denies that this is true, but the job of finishing him has not yet been completed.

The war council of Quebec, history will later record, helped finish off the blueprint for victory, but the job is still in just that stage. For instance, the rumor that emanated from Quebec City that Churchill had said the war against Germany would be over by Christmas was an invitation for every worker to ease up. That is why it was so vigorously denied. Good news can be a handicap as the war planners are now discovering—and they have no way of meeting this problem except by appeals to common sense.

This is, and will remain the biggest information job of the war. The existence of this problem explains why the information chiefs have been called into the war councils of Roosevelt and Churchill.

Memo to Officers:
VISIT THE MILITARY SHOP

Simpson's Fall range of R.C.A.F. uniforms and greatcoats in stock sizes for immediate delivery is now complete. Service uniforms, tailored to regulations of barathea cloth, with extra slacks, 68.50. Greatcoats of imported Melton cloth, $65.

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SECOND FLOOR

Simpson's

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date issued	—Sold to—	Rate	Due	Amount	Price	Yield
Dominion—							
Canada Deposit Certificates	Aug.	Chartered Banks	¾%	Feb. 29, '44	$57,100,000	100	....
Provincial—							
Ontario	Aug.	Wood, Gundy Corp. and Syndicate	1¾%	1944-47	$4,000,000	...	...
			3%	1955	6,000,000	*100	3%

*Offering price.

In Your Opinion—

Should We Work Our Prisoners of War?

The Question: How can we make further use of prisoners of war to ease labor shortage?

J. R. Burnett

Editor, Guardian, Charlottetown, P.E.I.

It is absolutely wrong in principle to employ prisoners to replace our own manhood sent to fight the enemy. It is many years since Britain prohibited the importation of prison-made goods from Germany to compete with honest home production; then why should we import German prisoners to displace our own flesh and blood?

Far better for all concerned to keep our war prisoners economically unoccupied than to seek to benefit in any way from their forced labor. Such a policy cuts both ways. Japan may retaliate by compelling Canadian prisoners in Singapore and elsewhere to do menial and uncongenial tasks.

* * *

R. E. Chadwick

President, Foundation Co. of Canada, Montreal.

I am not fully conversant with Hague rules regarding war prisoners, but subject to the rights under these, I would offer the following opinions:

The difficulty of guarding against escape and objection to mixing with free workers prevents the general use of prisoners on construction, but they could be used advantageously on certain work located in remote areas where escape would be difficult, for example road and dam construction.

Prisoners could be used advantageously cutting firewood, pulpwood and sawlogs, employed in groups small enough to prevent the effective use of tools as offensive weapons. Undoubtedly, prisoners could be used in many lines of manufacturing where they could readily be segregated and guarded, but the government would have to overrule trade union objections.

* * *

W. A. Delahey

Manager, Ontario Forest Industries Association, Toronto.

Prisoners of war should be placed in lumber and pulpwood camps in northern Ontario to relieve the labor shortage seriously threatening the raw material supply for Canada's major industry. Camps built to government health standards are vacant in isolated districts from which there is minimum opportunity to escape. Some German prisoners will have had woods experience, while others can readily adapt themselves to woods work. Americans are now employing Italian and German prisoners in southern states' pulpwood operations so apparently there are no legal complications to using them for similar work in Canada.

* * *

F. W. Gershaw

Member of House of Commons, Medicine Hat, Alta.

I believe selected prisoners would be very welcome on many farms and in many factories. If employed, the prisoners would be less restless, less bitter and less anxious to escape. Help is desperately needed and the risk would not be great if care were taken in locating them.

* * *

W. C. Good

President of Co-operative Union of Canada, and prominent in farm organization circles, Brantford, Ont.

I do not know accurately how far or in what way prisoners have already been used. Regarding their further use, much would depend on character, industrial qualification and country of origin of prisoners. Generally speaking, they can be used in gangs where effective supervision is possible but not to any appreciable extent on Canadian farms. We should use prisoners of war for industrial work to the limit of feasibility for their sake as well as for our own.

* * *

C. C. Huston

Secretary, War Metals Advisory Committee, Toronto.

The convention relative to the treatment of prisoners of war concluded at Geneva in 1929 with Canada as signatory fully sets out useage and employment of captives. They should be made partially self-sustaining by growing food and maintaining their own establishments, but to introduce them generally into an already vastly disturbed manpower situation is not believed advisable.

We are conforming to our own standards of conduct and to use such men beyond the treaty terms will reflect upon our own morality. These men are a burden upon us just as our men are a burden upon their captors. Any effort to exploit them gives tacit consent to usage of our men under conditions we cannot visualize and ideologies to which we do not subscribe.

* * *

Keith Laird

Well-known lawyer of Windsor, Ont.

Subject to international law, I would suggest that prisoners of war could be used most satisfactorily in farming operations where the manpower shortage is becoming acute. They might also be used in the repair of highways which are deteriorating rapidly. Obviously they are unsuited for factory operations because of possibilities of sabotage, but employment in the aforesaid manner would give some relief from manpower shortage in two vital fields.

* * *

J. D. McFarlane

Prominent farmer of Aylsham, Sask.

Farmers in the West must have additional labor if supply of hogs and beef products are to be kept up to supply overseas demands and the soldiers have to be fed. Selected prisoners of war suitable for the work contemplated could be used to advantage. If I was a prisoner of war in an enemy country and had the chance to go out of prison camp I would be glad to go to work on a farm or do any other work suitable, where one could live under good conditions. Careful selection of the prisoners is the main essential.

* * *

W. J. McGregor

President, Canada and Dominion Sugar Co., Chatham, Ont.

Prisoners of war on voluntary basis from selected groups preferably with agricultural experience in sufficient numbers would materially help solve the farm labor problem. They would ensure adequate beet sugar acreage in southwestern Ontario, enabling our large Chatham and Wallaceburg beet refineries to operate to capacity next year, capable of producing one hundred million pounds of refined beet sugar, representing one tenth of Canada's pre-war consumption.

Vital crop rotation and the manpower system wholly dependent on sugar beets in this large area, will be disrupted, entailing serious shrinkage in essential food products unless farmers are completely assured of ample farm workers prior to crop planning this fall. I believe the world sugar production will be badly dislocated for several years. Canada should protect her own position by maximum production of beet sugar from her six beet sugar plants. A prisoner of war labor program should be developed without delay.

* * *

W. G. MacKendrick

President, Warren Bituminous Paving Co., and large farm owner Oakville, Ont.

St. Paul's admonition, "If any would not work neither should he eat," seems sound advice for our prisoners of war. When the war started, foresight could have provided suitable work under a well thought-out plan, but now when our first four years of Axis war is finishing, we are too late. On September 1, 1923, Japan was almost destroyed by an earthquake. She is due for a repeat dose early this September which will finish her war-making proclivities without loss to the allies' soldiers, sailors and airmen—a desirable consumation surely.

In the meantime, place Italian and Japanese prisoners on the land and use our new Canadian liberty ships to ship German prisoners home and add to German woes of housing and feeding them in their block-busted, ruined cities. It will certainly cure one generation of the master race to see how the effete British and U. S. A. make war when their dander is up.

* * *

A. M. Raymond

Editor, Albertan, Calgary, Alta.

The use of prisoners of war in Canada is limited, it seems, to two fields, agriculture and lumbering, and perhaps coal mining, if objection of the present workers could be overcome. Their employment in the harvest fields and in the pulp industry where the shortage of labor is so serious could be arranged without much trouble.

In other industries, employment of Germans and Italians does not appear feasible. In the sugar beet fields of Alberta a few hundred have been employed all season without trouble and with good results. Lessons learned from this experiment could easily be expanded.

* * *

W. H. Smith

Assistant managing director, Abitibi Power and Paper Co., Toronto.

Prisoners of war can give effective aid to producing pulpwood and firewood. The pulp and paper industry which, due to lack of manpower, was unable by a considerable margin, to produce its full requirements of pulpwood for current use is faced with resultant heavier pulpwood requirements this fall.

Unless many thousands of additional men are made available, indications are that the industry will face a serious curtailment in manufacture of essential products. Furthermore, there is a definite shortage of firewood which can only be met by additional manpower being made available. Prisoners of war can help.

* * *

Anne Taylor

Editor, Northern Mail, Le Pas, Man.

I believe the pulpwood situation could be improved by the establishment of prison camps in timber areas. I also suggest the grouping of prisoners as to trades; a study of the needs of each province supplying prisoners to provinces in groups to fill in jobs peculiar to provincial needs under a giant employment bureau scheme. The men could be housed in camps where possible or in local jails when a small quota is sent. Antipathy of the public would curtail the use of prisoners in private enterprise.

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See Little Change in Shipbuilding Program

By STAFF WRITER

OTTAWA. — Although Canada's share of the United Nations' 1944 merchant shipping quota is expected to be about 1,420,000 tons or the same as 1943, high officials inform The Financial Post that the outlook is so uncertain that any estimate at this time is worth little.

At Washington recently it was announced that the Combined Chiefs of Staff had approved a 1944 program "in excess of 20 million tons" deadweight. This is described as well above the 1943 schedule despite the questioning of some officials as to whether or not war demands will require such a huge volume of shipping in view of the sharp decline in losses by U-boat action, limited port facilities in some war zones and the shortage of sea-going personnel.

Offsetting such doubts is the view that, with increased overseas troop concentrations, the natural development of recent large-scale Allied offensives and future invasion plans, food shipments to Britain and the Middle East alone, for example, may well have expanded to a point where the Washington figure need not be excessive, regardless of fewer losses through U-boats.

50 Million Tons for U. S.

The 20 million tons of merchant shipping authorized for 1944 is said to be about twice the size of the entire U. S. Merchant Marine on Jan. 1, 1941. It will mean that U. S. merchant tonnage built since the start of the program in 1938 will aggregate 50 million tons, which is equal to the five largest commercial fleets in the world in Jan., 1941—Britain, United States, Japan, Germany and Norway.

Get Higher Priority

Currently the production of new merchant shipping in Canada has been given a lower priority to enable emphasis to be put on the outfitting of naval and merchant craft already under construction. A special outfitting job has been under way at an important Canadian port that for some time has been given high priority over all other shipping work. The outfitting and completion of merchant ships now under construction is also being speeded up in order to make the best use of in order to make the best use of available manpower and speed the completion of the boats now being built. It is stated that this shift in priority will not, however, affect very greatly the over-all picture so far as Canada's shipbuilding program is concerned.

Initial publicity has also been given this week to the work of the British - American - Canadian Combined Committee on Standardization of Ship Design. This is a committee set up in March of this year and whose work has previously been kept secret.

International Co-ordination

According to a statement by Donald Nelson of the U. S. War Production Board this is "the first attempt in history at international co-ordination in shipbuilding." Among achievements cited for the committee are standardization of ship-driving machinery which is said to have freed enough capacity to turn out geared turbines for 350 of the new 15-knot Victory type cargo ships in 1944.

Heads Saguenay Power Division

McNeeley DuBose, vice-president of the Aluminum Co. of Canada, has been appointed to control all the company's operations in the Saguenay region.

Of French-Scottish ancestry, the 51-year-old power engineer, who has been associated with the Saguenay Power Co. at Arvida since 1926, was born in Ashville, N.C. He received his technical education at the University of South Carolina and N. C. State College of Agriculture and Engineering. His first job, on a power project in Spain, coincided with outbreak of World War 1 which compelled him to return to the U. S.

MR. DUBOSE

In 1916, therefore, Mr. Dubose became associated with Tallassee Power Co. for a short period before joining the army when the United States entered the conflict. With the close of hostilities, McNeeley DuBose joined the Aluminum Co. of America as a power engineer, becoming general manager in 1939 and in Jan., 1943, general manager of the power department of Aluminum Co. of Canada. In addition, Mr. DuBose is president of Saguenay Electric Co.; vice-president Saguenay Transmission Co. Ltd., and of the Alma and Jonquière Railway Co.

Montreal Stocks Pay Smaller Aug. Dividend

Dollar value of dividend payments by stocks listed on the Montreal Stock Exchange and the Montreal Curb Market during August totalled $4.9 millions, a decline of about $1 million from the same month a year ago.

Total disbursements for the first eight months of the year are about equal with the figure for 1942: $142.4 millions as against $143.6 millions.

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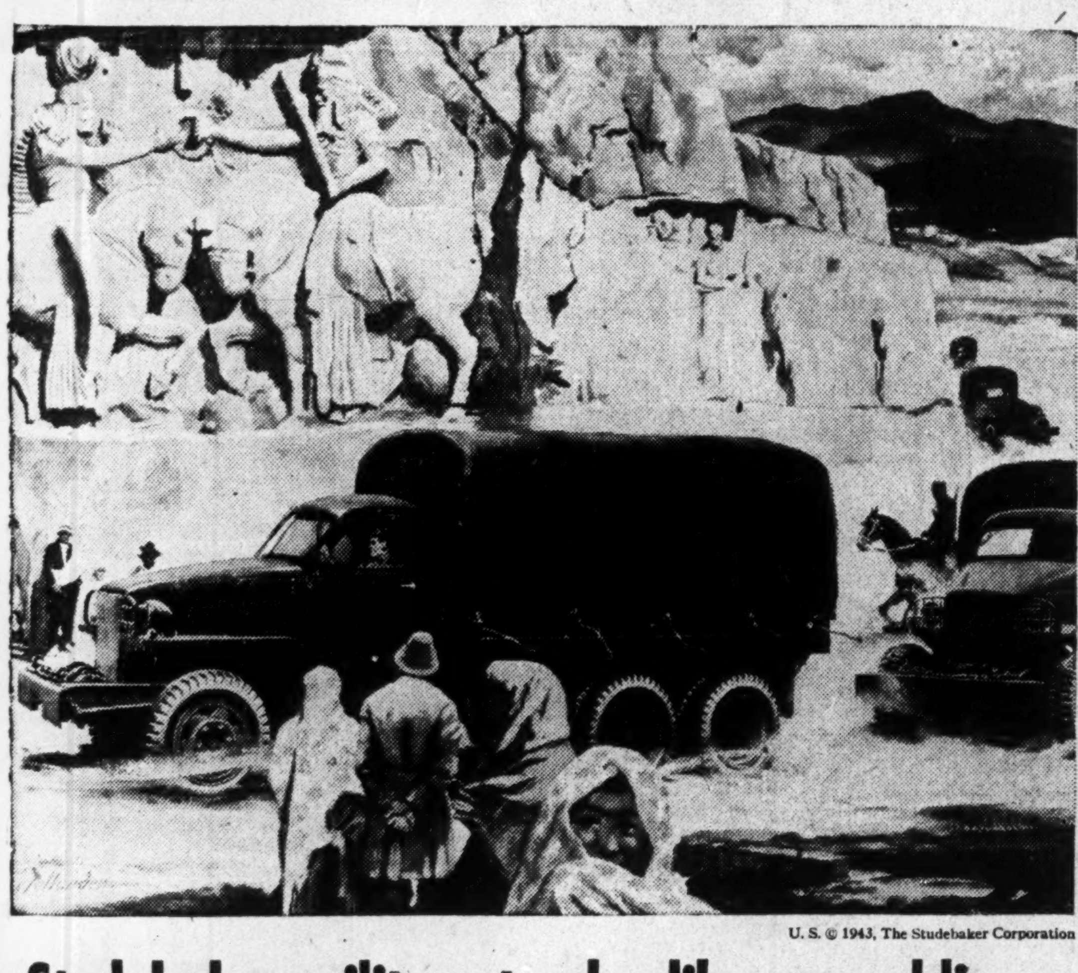

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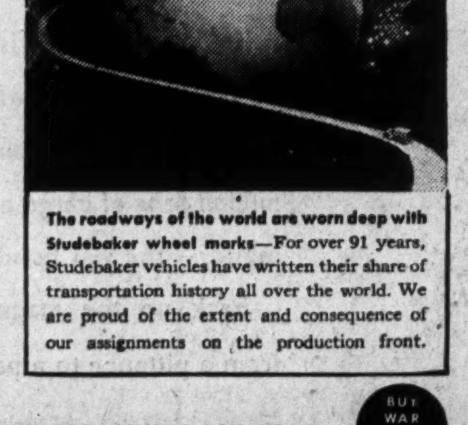

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How Can They Be Used?

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What About Costs?

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CANADIAN GENERAL ELECTRIC CO.
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Canada's July Exports Rocket to $304 Millions

All-time High Due to Lowered "Inventory" of Munitions and Supplies Stored Here Pending Better Shipping Prospects

By STAFF WRITER

OTTAWA.—Paralleling the spectacular improvement in Atlantic shipping conditions, the veil of secrecy over Canada's export and import trade returns for the past 16 months has now been removed.

This week, the Department of Trade and Commerce has resumed publication of External Trade Bulletin, No. 1 of which lists monthly imports and exports. It shows that Canada's dollar volume of exports, which in pre-war days averaged about $70 millions a month, skyrocketed to an all-time high in July of this year of $304 millions. The previous high mark, it is now disclosed, was in December, 1942, when exports touched the $270 millions mark.

In the first seven months of 1943, Canada's total exports reached almost $1.6 billion. The corresponding figure in the first seven months of 1939 was just one third of this total or $479 millions.

Although the flow of goods from Canada has been moving steadily upward since January of this year, examination of the monthly trend suggests that in July Canada got rid of a vast amount of "inventory" of war munitions and supplies which have been piled along railway sidings in eastern and central Canada.

Overseas Shipments Increase

It has been common observation for some weeks now that these inventories have been disappearing and the increase of more than $50 millions in July exports, (as compared with June, 1943) suggests that availability of shipping permitted a very substantially improved movement of goods overseas in the latter month.

As yet, no figures have been released to indicate the month-by-month distribution of these exports as between United Kingdom, United States, etc. This week's report does, however, give a brief summary table (issued for the first time in this form) to show the destination of July exports as between U. K. and U. S. and other Empire and foreign countries.

The report reveals that in July we exported no less than $125 millions (an eighth of a billion dollars worth) of munitions, foodstuffs and other war supplies to Great Britain alone. A further $33 millions went to other Empire countries and $90 millions to U. S. A. Comparative July and cumulative seven-month figures are as follows:

Main Destination of Canada's Exports
(In millions of dollars)

To:	July 1943	July 1942	Jan.-July 1943
United Kingdom ..	124.4	60.8	574.3
United States	90.8	68.1	612.7
Other Empire countries	32.9	42.0	209.3
Other foreign countries	55.5	26.4	185.1
	303.6	197.3	1,581.4

Analysis of Canadian imports shows that in the past four months (April, May, June and July) we have been importing at the rate of $150 millions a month compared with a corresponding figure of $60 millions in the same period of 1939. It is also disclosed that 90% of our imports (about $120 millions) are from the United States. July imports from the United Kingdom show little change from a year ago at approximately $14 millions a month.

Canada's Import Record
(In millions of dollars)

From	July 1943	July 1942	Jan.-July 1943
United Kingdom ..	14.3	13.6	79.5
United States	120.0	109.0	808.4
Other Empire countries	9.3	11.2	58.9
Other foreign countries	7.3	5.5	43.8
Totals	150.9	139.3	990.6

Exports Exceed Imports

The figures also reveal the extent to which Canada is using mutual aid to cover its exports to Britain. In the first seven months of 1943, our exports to U. K. exceeded value of our imports by $500 millions compared with about $350 millions in the same period in 1942.

Another interesting fact revealed by the trade returns is the falling off in Canadian shipments of gold to the United States. It is revealed that in July, 1943, our gold shipments abroad (presumably to the United States) dropped to $10 millions.

This is the lowest figure since August, 1939, when shipments slumped almost in half to a new low point of $9 millions. In the first seven months of 1943, net gold exports amounted to only $87.7 millions compared with $110 millions in the same period last year and $120 millions in the first seven months of 1941.

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In the matter of:
North American Financial Corporation Limited and Reduced
and
In the matter of:
The Companies Acts.

Notice is hereby given that a Petition presented to the Supreme Court of Newfoundland on the 27th day of August, 1943, for confirming the proposed reduction of the capital of the above named Company from Five million dollars ($5,000,000) to Three hundred thousand dollars ($300,000) will be heard by the Court on Monday, the eleventh day of October, 1943, at eleven o'clock in the forenoon.

Any creditor or shareholder desiring to oppose the making of an Order for the reduction of capital of the said Company under the above Act may appear at the time of hearing by himself or his Counsel for that purpose. Such person is required to give two clear days notice in writing of his intention to appear with the grounds of his objections to the undersigned, the Solicitor of the Company.

A copy of the Petition will be furnished to any such person requiring the same by the undersigned on payment of the regulated charge for the same.

Dated the 27th day of August, A.D. 1943.

ERIC COOK,
Solicitor for the Company.

Address for Service:
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Water Street,
St. John's, Nfld.

Deca No. 1 Well Down 1,187 Ft.

Drilling of Deca No. 1 well of East Crest Oils and Davies Petroleum as of Aug. 31 is reported to have reached a depth of 1,187 ft., and sticky shales encountered. Dr. J. O. G. Sanderson, consulting geologist, is said to be at the well.

Drilling on Deca No. 3 will start the end of the week, when drilling contractors expect to finish work now in progress at Vermillion. The No. 1 well is likely to be shallower than the No. 2 by about 300 ft. and will go to about 1,350 ft., reports state.

Hotel Dieu, Sherbrooke Puts Bonds on Market

Oscar Dube and Co., Quebec City, are making a public offering of $1,350,000 of 4% first mortgage bonds of the Hotel Dieu of Sherbrooke, at par and accrued interest.

Proceeds of the current financing will be used to the extent of $1.1 millions for redemption on Nov. 1 next of an issue of 4% and 4½% bonds which were issued early in 1940. The balance of the issue will be used for the general corporate purposes of the hospital.

The bonds will be secured by a first mortgage on the property while revenues received under the Provincial Government's grant will be applied to the payment of interest and capital at maturity.

Packers Report Inadequate Labor Supply

May Result in Slowing Meat Processing During Fall Months

With record deliveries anticipated for fall months of 1943, and beginning in mid-September, outlook of the Canadian packing industry with respect to labor supply is gloomy. "Only those engaged in the livestock industry can realize how serious would be the crisis, if livestock, especially hogs, could not be processed when they reach market weights," said J. S. McLean in the annual report of Canada Packers.

"For the first time in history the Candian packing industry may find itself unable to handle all the livestock," the president remarked. The shortage will be one of skilled workmen, as the industry has ample plant capacity to handle increased volume of business.

Ceiling Rules

Partial cause of the shortage lies in complications in operations due to ceiling regulations. Deliveries of animals, especially of cattle, have been irregular, as a result, and reduction in wages during slack periods have caused many workers to leave for higher paid occupations. Periods of heavy deliveries, conversely, have put a severe strain on the workers employed. In August of this year, Mr. McLean states, which is normally a month of minimum deliveries, the problem of processing livestock has been by no means light. Serious anxiety is, therefore, felt over the possible results of a heavy flow of animals to the plants.

Furthermore appeals of the last three years for increased livestock production will begin to take full effect this fall, and it is expected that record deliveries of cattle and hogs will arrive on the market during October and November.

The president's report states:

"The only possible method of avoiding a most serious crisis is that National Selective Service should provide replacements in large numbers, and should assist in turning back to the industry:

(a) Those keymen who have gone to other industries; and

(b) Perhaps also, for limited periods, certain keymen in the armed services who have not yet left Canada."

"It is the general view, though no official record exists, that beef cattle population in Canada is now higher than at any time in ten years," the president observed.

Fourth Quarter Increase

As for hog marketings, forecasts by the Federal Department of Agriculture put the expected increase during October, November and December of 1943 at 31% over corresponding period last year. Largest increase will be found in the western provinces, especially in Saskatchewan where a 75% upsurge is predicted. In Ontario and Quebec only a 5% rise is expected.

Wage adjustments during the past fiscal year averaged 4c. an hour for individuals in the employ of the company, and with the exception of the employees of one plant a full cost-of-living bonus of $4.25 a week was granted. The exception was in Vancouver, where, for special reasons, the bonus is slightly less.

Decreasing Profit

An interesting feature of the report concerns the fact that during four years of war the profit margin on Canada Packer's sales volume has shown a steady decrease, from 1.6% for the year ended March, 1939, to .95% for 1943. Over the same period percentage of sales going to the producer has increased from 80.5% to 83.64%, the highest on record.

This has been caused by rising prices for agricultural products, estimated in the report as a 60% increase throughout the war period. The figures of .95% is the lowest in the history of the company with the exception of 1932 when net profit amounted to only .64% of sales.

Income and excess profits taxes paid by the company—$1.8 millions—was well in excess of the total for four years prior to the war. Total taxes paid during the four war years has amounted to about $6 millions.

Investment Regulations

Urges Uniform Controls

Public Interest Served If Flow of Investment Facilitated

By BROOKE CLAXTON, K.C., M.P.
Parliamentary Assistant to The Prime Minister of Canada

Part of this speech was delivered at the opening luncheon of the National Association of Security Commissioners at Cincinnati, Ohio, on Tuesday last.

As the course of the war continues, more and more the great mass of the people feel that the future we are fighting for will not be fully realized by the defeat of the enemy. They want to go on and beat the other enemies, poverty and fear.

People see full employment and the full dinner pail in war and they ask, "Why not in peace?" They see government expenditure providing work and wages and have come to believe that the size of internal debt does not matter provided income is kept up to meet charges.

But the people do not want socialism or state ownership of the means of production; rather they expect private enterprise and government together to find practical means to continue total employment and a high national income in peace as in war.

The whole record of achievement shows that the people are not wrong in this view. What they want can be done, but it can only be done through the partnership of private enterprise and government to keep a continuously expanding economy. That means large scale capital investment either through private agencies or, if the private agencies do not provide enough money, then through public agencies.

This is where the work of the commissions and boards represented here will become of even greater importance than it ever was before. The need of regulation of security and stock sales has now been accepted. Investment houses and others interested in the sale of securities see that it is in their interest that there should be regulation. Now that your position is established and traditions of conduct have been created, you can concentrate your attention on the single question of how your work is best going to serve the public.

Need Regard For Public Interest

Security commissions will not serve the public if they prevent private investment, nor the interest of private investors and private enterprise if they do not have a proper regard for public interest. In fact, enlightened members of the public and those interested in investments generally agree that there is no fundamental difference between the public interest and that of the private corporation. This identity of interest must be brought home.

Facilitate Investment

In so far as you can facilitate a flow of investment you will be serving the public interest. The advantages to everyone concerned, state officials, investors, corporations and bond houses, of uniformity and simplicity in this machinery outweighs the advantages to this jurisdiction or that of doing a matter in its own way. We can look forward to the day when one state or province in Canada will accept qualification in another state or province as satisfying all requirements that relate to the sale of securities in both jurisdictions. You must keep it in mind that for every cent lost through fraud in the issue of securities $100 has been lost in changes in one way or another, changes in management, invention, fashion, policy, international trade, war, peace, climate and so on.

Free Flow of Capital

For this reason I hope that there will be no disposition after the war to elaborate or increase registration requirements, that blue sky laws will be fairly enforced. I believe it to be in the vital interest of business in the U. S. and Canada that the freest possible flow of capital be encouraged. Otherwise it will not take place; if it does not take place then we will not have the spending economy which alone will provide maximum employment, high wages, high prices and social services.

Did I say we would not have it? Let me correct myself. I think we will get these things in time if we demand them. If they are not provided by private enterprise then they will be provided by government enterprise. What we want to realize is paramount investing conditions which encourage investment and the part the government must play in all of this.

For this reason we should be gearing ourselves for the most active period of our lives.

Market Opinions

Barron's (The Trader): Speculators will probably prefer to await the actual text of new tax bills before taking action. Insistent search for income, more than the speculative urge, constitutes the present-day support of the stock market. Until the volume of trading notably increases and is accompanied by significant leadership there is no assurance that the market will work out of its rut.

* * *

Barron's (Dow Theorist): Fractional price changes which had no significance for students of the Dow Theory and very slow trading action have featured the Dow-Jones industrial and railroad averages recently. The fact that the slow trading comes with prices near the low of the July-August decline is rather favorable for the bulls.

* * *

Magazine of Wall Street: If the reaction which began with the fall of Mussolini could be considered merely a technical correction of an overextended speculative position, it could be reasoned—on the basis of recent evidence—that the decline is probably over and that the major upward movement should be resumed in the near future. Even in the most favored groups, however, we think that the time has not yet come for individual selections—or purchases.

* * *

Financial World, N.Y.: It would appear that the so-called peace stocks will continue to occupy a favored market position and it is this type of issue that should be given preference by the investor. It may turn out that the markets "correction" was not completed by the decline to Aug. 2 lows and that a further dip of a few points occurs before resumption of an upward trend. But in any such reaction—as well as in the subsequent recovery—the peace stocks should give a much better account of themselves than those facing postwar uncertainties.

* * *

Journal Of Commerce, N.Y.: Since industrial activity has now about reached the wartime peak in most instances, higher rates of taxation could bring about a substantial recession in income for business enterprises next year. Developments in connection with revenue legislation may thus play an important part in shaping security market conditions during the period immediately ahead.

Australia Finds Source Of Plywood Supply

After a long period of painstaking experimenting, Australia has succeeded in adapting her own timbers to airplane construction.

Australia began the war with some secondhand knowledge of plywood molding, mostly from America. She had still less knowledge of "improved" woods, in which Germany led the field.

With the setting up of an aircraft industry, first ask of their scientists was to help aircraft designers and builders to catch up with overseas knowledge, and apply it to use of local timbers, so Australia might become as self-reliant as possible. This has been done. Incidentally, there has been much original investigation and discovery.

Ideal timber for aircraft plywoods is European and Canadian birch. It was up to Australia to find a local equivalent.

Coachwood Used

Just before the war some commercial use had been made of Australian coachwood (scented satinwood) for plywood, and this opened up the main line of investigation.

Coachwood is not quite as good as birch, but it complies with required specifications. There are a few other Australian timbers which are nearly as good as coachwood, such as Queensland hoop-pine. There are some which are better, but like the leatherwood, which grows only on Tasmania's wet west coast, they are too rare.

Even coachwood does not occur in pure stands. It is scattered in brush gullies of the N.S.W. highlands. Only 20% of the trees are suitable for felling.

In the laboratories of the Council for Scientific and Industrial Research, Forest Products Division, South Melbourne, scientists put in many months of hard research.

They examined samples of coachwood and other timbers microscopically. They made tests to establish each sample's "mechanical" properties, tensile and shear strength, toughness, pliability, density and durability in all sorts of conditions. They tried out various seasoning processes. They peeled sheets of wood varying between 1/16th and 1/100th of an inch thick, and made them into plywoods, glued together with sheets of resin-impregnated paper under pressure of 200 lb. to the sq. in. at temperatures reaching about 300 deg. F.

Then followed more tests of the finished plywoods. Experiments with various woods and processes involved between 20,000 and 30,000 separate tests, many requiring abstruse mathematical calculations.

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The Shareholder

Postwar business prospects have now become a very potent stock market factor in United States and to a somewhat lesser degree in Canada. Some authorities in the United States are willing to concede that the "reconversion phase following the war will lead into a period of high industrial activity and profits based on the satisfaction of demand for consumer goods deferred by the exigencies of war" and are now trying to determine what the length of the postwar boom will be for various industries.

To arrive at the length of this prospective boom, indicated backlogs of demand are being assessed in the light of capacity to produce. In calculations, two basic assumptions are being made: first, that war savings will mean adequate purchasing power for the individual; and secondly, that consumer wants will show no great change in the future from what they were in the immediate pre-war period.

Even if the conflict were to end today, one source states that it would take longer than two years to catch up with civilian requirements when the present situation is compared with that of the last war when the reconversion period was approximately two years. However, conditions after this war will be considerably different than after the last.

For shoes, food and textiles, it is thought that two years may be sufficient to restore the normal inventory position. But for the motor car and satellite industries, it may be that three years will elapse before the backlog of demand can be met, even operating at capacity. Retooling will take time and the demand for cars may prove to be greater than ever before.

In the electrical appliance and radio field, precautionary buying before production was suspended is understood to have been substantial and it has been estimated that supply may catch up with demand in something under two years. Television, however, might make a difference.

In the United States, and possibly in Canada, the backlog for the washing machine industry works out at about three years of capacity operations. Two years are considered necessary for catching up on agricultural implements.

The above figures are based on the war ending at Dec. 31, 1943, a perhaps rather optimistic hope. If the war lasts longer, however, the backlog of demand will be just that much greater and the postwar boom, if it eventuates, may last just that much longer.

* * *

Who has the gold is a question which is arousing interest these days. U. S. gold holdings have declined by almost $400 millions this year but in spite of the fact that gold production outside of the Soviet Union is still probably in excess of $750 millions a year, it is difficult to determine just where gold is now tending to concentrate.

South Africa, which was stated to have stopped shipping gold due to the U-boat menace, actually reports a decline of $50 millions since Dec., 1942. Possibly Latin American and neutral countries have been accumulating larger reserves than they have revealed; certainly somebody has the extra gold. Sweden recently refused to accept gold from Germany but it is believed that this was due to a possible "stolen" character of the gold rather than any desire not to increase holdings.

* * *

National Steel Car's decision to subdivide its common shares, appears likely to find a favorable reception from shareholders and general public alike.

Some companies can accomplish a worth-while objective by subdividing shares. Even if there has been no important growth in assets or earning power, subdivision of common shares means a wider distribution of a company's shares and, hence, a better appreciation of what a company is accomplishing. By subdividing its shares, a company can bring the price of its stock more in line with that of similar companies in the same line of business. It will be recalled that Ventures Limited did this a few years ago.

Postwar Housing

Life Line to the Building Trade

Program for the Progressive Replacement of Low-cost Homes

By BERNARD B. SMITH

Summarized from the article, "Those Postwar Houses?" appearing in Harper's Magazine, July, 1943.

If the construction industry is to survive the war and solve problems of an even more complex character during the postwar period, it is absolutely necessary that a vigorous and sound home-building program be launched by private enterprise and all branches of the construction industry.

All postwar planners — whether in government or in private industry—are counting on a huge volume of house construction as one of the largest single elements in their programs for full employment.

Who is going to get the business?

Will Private Business Get Job?

Because the federal government will be a prime factor here, as will public works' programs, and because the government will own most of the nation's construction machinery at war's end, private enterprise can only remotely hope both to finance and to build in the home construction field. But because of lack of unity within the industry its chances of survival are slim even in home building.

Although the construction industry is the second largest in the United States, it is nevertheless essentially small business in its make-up and as such is composed in the main of a multiplicity of perhaps 200,000 separate firms. These include the architects and engineers, the general contractors and the subcontractors—such as the plumbers, plasterers, masons, electrical and heating workers—building materials manufacturers and jobbers, and finally the craft unions, each of which performs a limited class of work which it proscribes others from performing.

Impossible Restrictions

Moreover, industry has saddled itself with impossible technological, legal and financial restrictions.

For instance, during the depression decade contractors in many parts of the country induced State legislatures to enact licensing laws which made it difficult for out-of-State contractors to do business within the State's borders. Subcontractors made deals with various craft unions to prevent general contractors or other subcontractors from employing any members of those unions.

Technological advances were consistently impeded. Plumbing contractors and plumbing unions united to block use of preassembled bathrooms which could be installed in a few hours at vast savings in costs. A painters' union in California recently refused to use spray guns to paint a government housing project, and was upheld in a California court.

In ways like these the members of the industry have gone around slamming doors in one another's faces. While they succeeded in keeping competitors out, they imprisoned themselves among obsolete techniques and inefficient procedures. If they want to take part in the postwar home building program they must break open the doors they slammed shut.

Hoary Building Codes

The construction industry, moreover, is hampered by a number of conditions which it will be necessary to eliminate before an over-all housing program can be launched. The decks must be swept clear of ancient municipal building codes based on the theory that new construction should be permanent regardless of whether communities nowadays really desire permanence in their housing. In this connection it has been found that composite-wall materials of two inches in thickness are quite adequate. Yet municipal laws in some cities still require masonry thickness of anything from 8 to 17 inches.

Instead of clinging to such laws, the industry should commence a study of all classes of materials—whether prefabricated, preassembled or otherwise—which will contribute to efficient low-cost homes. Furthermore it should see to it that the laws are passed to permit use of these materials.

Labor May Be Difficult

Probably the most difficult obstructions to remove will be labor-union restrictions on the use of technological improvements. One way might be for the industry to agree to allocate a part of the savings which accrue out of use of labor-saving improvements to a fund for the vocational retraining of displaced workers. Further, the industry could, in exchange for union concessions, offer to co-operate to remove non-union conditions wherever they exist.

Change Marketing Theories

The traditional house-marketing theories that houses will increase or remain constant in value, and should, therefore, be built to last indefinitely, must also be scrapped. In addition to being basically false, they imprison people in their homes by means of bonds and mortgages and prevent homeowners from moving freely.

Full potential contribution of prefabricated, pre-assembled and demountable houses will not be realized unless the construction industry and private enterprise can co-operate with local and federal authorities to create a flexible program of community planning and home financing.

For Use—Not For Speculation

To this end, we must get used to the idea that houses should be built for use—not for speculation.

Suppose we want to build a $5,000 home. We will assume that $800 of this amount will cover cost of land, foundations, and utilities (roads, sewers, water mains, etc.) The remaining $4,200 would cover the actual cost of the building itself.

Now if restrictions on the building industry have been removed and the house is built with the agreement that it will be torn down and completely rebuilt, or replaced, at the end of a definite period of, say, 20 years, at least 20% in savings can be effected through use of technological advances and because building costs of a house not designed to last forever will be reduced.

Suppose that it can be bought on terms which will ensure at the end of the 20-year existence there will be, in addition to the paid-up mortgage, a sum equal to the original cost of building construction (in this instance, $4,200 minus the 20% savings, or $3,360)—a sum which shall be used to replace the obsolete structure.

Deposits in a Reserve

To accomplish this it would be necessary to add to the present mortgage payments a monthly payment to be deposited in a Home Replacement Reserve account which would serve as additional security for the mortgage. There would be no need for the owner to pay the premium to insure the mortgage against default; and the additional security should also bring a reduction in interest. For this the purchaser would not only own his land free and clear after 20 years, but would also have the funds to replace his house with a modern house suited to his present needs.

If, after the war, the members of the construction industry in a given locality would co-operate with one another and with local financial institutions to develop ever-regenerating communities of houses in the $3,000 to $6,000 class which are available on such terms as these, there is no reason why a vigorous, fluid market for home-building cannot be created.

Free of any mortgage, from then on the owner will make only the small monthly payment required to create the Replacement Reserve for the next 20-year period. Whatever this payment amounts to it will be less than what it would cost to keep an obsolete, antiquated structure in repair.

An equally important consideration is that the neighborhood will never drastically deteriorate, for in an ever-regenerating community a fixed proportion of new houses will be built each year. At the end of 20 years the earliest-built houses will be replaced and annually thereafter the houses built in successive years will be demolished and new structures erected.

Position is Desperate Truckers Tell WPTB

Following up its recent appeal to WPTB for collective relief in the form of increased intercity truck rates and restoration of trade discounts on tires, gasoline, etc., the Automotive Transport Association of Ontario has submitted to Services Administrator M. W. McCutcheon the results of a second profit and loss survey among member carriers. Twenty-two firms participating in the survey are said to be representative of the industry as a whole; their returns show profits as a percentage of revenue for a six-month period, Jan. 1-June 30, in the years 1940-41-42-43.

The new report shows, The Financial Post is informed by ATA general manager J. O. Goodman, that in the 1943 period 59% of these carriers hauling 41.7% of the traffic operated at a loss of 7.26%, while 41% of these carriers hauling 58.3% of the traffic operated at a profit of 4.01%.

Thirteen "In the Red"

The report reveals, The Post is told, that in 1940 and 1941 only four of the 22 companies operated at a loss while in 1943 thirteen were "in the red."

In 1940 the range of loss reported by the four companies was from 2.50% to 9.99%, whereas 1943 figures show that losses ran as high as a 17.50%-19.99% bracket.

Even nine carriers reporting continued profit are in an unsatisfactory earning position, it is claimed.

In 1940 eighteen of the 22 reporting firms had a profit range from over 2.50% to more than 25% whereas in 1943 the highest profit reported was in the 5.00-7.49% bracket, with six of the nine carriers showing less than 2.50% profit.

Tire Discounts

Tire discounts, eliminated by orders of the Controller of Supplies, recently were partially restored by rubber control order 4A. Goodman tells The Post that the benefit accruing, while helpful, will not materially improve the position of the industry.

Initial submission was based on returns from 16 firms for the first four months in 1940 to 1943 inclusive, as well as on returns from 23 firms for the whole years 1940-41-42. As reported in The Financial Post, the administration declared itself willing to give further consideration to the truckers' appeal if the operating results during a further period indicated general relief necessary. The suggestion was made, The Post understands, that a four-month survey covered too brief a period to be properly indicative of the carriers' position.

"Results of the new survey definitely substantiate our assertion that, mainly because of price ceiling regulations, our industry continues to operate at a loss," the ATA general manager told The Post. "There will be critical disruption of the essential services rendered by the industry if relief to the extent recommended is not forthcoming immediately."

Two-point Proposal

To offset the industry's claimed 5½% loss position, ATA's two-point plan has the objective of improving carrier earnings by 6% through WPTB authorization of rate adjustments and discount restorations.

On the first point, these would permit:

"(1) for-hire intercity motor freight carriers operating under Ontario public commercial vehicle licenses, to charge motor freight rates comparable to the railway competitive "pick-up and delivery" tariffs;

"(2) retention of rates presently in effect which are in excess of the tariffs mentioned in (1);

"(3) mutual agreements between carriers and shippers providing for rates in excess of the tariffs mentioned in (1) where the special nature of the movement warrants."

With regard to discounts, the requested WPTB action would authorize;

"(1) immediate restoration of discounts on tires and tubes, eliminated by orders of the Controller of Supplies, and the adjustment of warranty to cover a period of 90 days from the commencement of service, rather than from date of delivery;

"(2) immediate restoration of all commercial gasoline discounts eliminated by order of the Oil Controller, and immediate elimination of price differentials created by order of the Oil Controller;

"(3) immediate restoration of all discounts on parts, equipment and supplies; eliminated by orders of the Motor Vehicles Controller."

CPR Returns Rise Again

Gain in July Net Income Almost Wipes Out Previous Declines

From Our Own Correspondent

MONTREAL.—Continuing to reverse the trend apparent earlier in the year, Canadian Pacific Railway reports an increase in net operating income during July compared with the same month a year ago.

Gross revenues from operations last July at $26.6 millions were $4.7 millions over the returns for the same month of 1942. Working expenses showed an increase of over $4 millions, but net earnings of $3.9 millions were up $661,596.

Close Up Gap

As a result of the marked improvement in July, cumulative net earnings for the first seven months of 1943 at $25.1 millions are now less than $100,000 under the figure for the like period a year ago.

July	1943	1942
Gross income	$26,642,582	$21,926,008
Working exps. ...	22,712,535	18,657,557
Net earnings	3,930,047	3,268,451
Seven Months Ended July		
Gross income	$162,874,113	$142,959,100
Working exps.	137,740,904	117,742,566
Net earnings	25,133,209	25,216,534

Heavier Trading In Unlisted Stocks

Plaxton, McDonnell & Co. state the majority of the unlisted stocks moved upward during the week on heavier volume of trading. Atlas steels common firmed fractionally, closing 25½-27. Brown Co. pref. firmed ½ point at 33½-36¼. Burns "A" eased ½ point at 9½-10½.

Canadian Industries "B" dropped 2 points at 161-163. Canadian Westinghouse improved fractionally closing 44¾-45¾. Federal Grain $6.50 pref. gained 2 points at 83-86, the common, advanced ¼ point at $4.25-$4.85.

Guardian Realty pref., an inactive issue, advanced 1 point at 18 bid. Standard Fuel 6½% pref. advanced 3 points at 63 bid.

FOR SALE

Two Special Type Truck Bodies 7' x 12' with 42" racks suitable for groceries or similar produce, priced right for quick sale. See Mr. Adams, Western Freight Lines, Limited, Chatham, Ont.

VICTORY LOAN BONDS

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New Issue

$10,000,000

Province of Ontario

1¾% and 3% Debentures

To be dated September 15th, 1943

$4,000,000 1¾% Debentures to mature September 15th, 1944-1947

$6,000,000 3% Debentures to mature September 15th, 1955

Principal and half-yearly interest (March 15th and September 15th) payable in lawful money of Canada in Toronto or Montreal at the holder's option. The Debentures maturing in 1955 will be redeemable at 100 and accrued interest, at the option of the Government, on September 15th, 1952 or on any subsequent interest date. Any Debenture not presented for payment within one year from its maturity will be payable only at the office of the Provincial Treasurer, Toronto. Denomination: $1,000. Debentures may be registered as to principal.

Legal Opinion: Messrs. Daly, Hamilton & Thistle.

In the opinion of Counsel, these Debentures will be direct obligations of the Province of Ontario, and will be payable, principal and interest, out of the Consolidated Revenue Fund of the Province. The proceeds of this issue will be used for refunding purposes.

Information regarding the financial position of the Province will be found in the official circular, which is available upon request.

It is expected that Debentures in interim form will be ready for delivery on or about September 15th, 1943. The 1¾% Serial Debentures have been sold. We offer the Twelve-Year Debentures, if, as and when issued and accepted by us, and subject to the approval of Counsel.

Price: 1955 Maturity, 100 and interest, yielding 3.00%

Wood, Gundy & Company Limited — McLeod, Young, Weir & Company Limited
The Dominion Securities Corporation Limited — Bell, Gouinlock & Co., Limited
A. E. Ames & Co., Limited — Mills, Spence & Co., Limited
Royal Securities Corp., Limited — McTaggart, Hannaford, Birks & Gordon, Limited
Midland Securities Limited — Cochran, Murray & Co. Limited
Harrison & Company, Limited — Fry & Company
Collier, Norris & Quinlan Limited — Burns Bros. & Denton, Limited
R. A. Daly Co., Limited — Gairdner & Company Limited
Bartlett, Cayley & Co., Limited — Brawley, Cathers & Co.
Dyment, Anderson & Co. — J. L. Graham & Co., Limited
Griffis, Norsworthy Limited — C. H. Burgess & Co., Limited
Flemming & Company — A. M. Ramsay & Co.

The information contained in this advertisement is based upon statements on which we have relied. We do not guarantee but believe the statements herein to be true.

The Editorial Page . .

No Time for a Let-up

Some concern is felt in inner financial circles at Ottawa that the obvious improvement in our military fortunes may result in a general easing on the thrift front. Contrary to the widely accepted belief, victory will not be the signal for an immediate let-up in the need to save and buy bonds. There is a very real possibility that the Government will need to borrow as much in the loan following victory as in the loan preceding it.

In the last war, the loan of 1917 for $398 millions was followed in November, 1918, by a loan for $660 millions, only ten days before the armistice. Yet in November, 1919, it was found necessary to borrow a further $678 millions, the largest loan of the war, to finish off the tag ends of war business and lay the foundation for peace.

There is a real possibility that the experience of 1919 will be repeated after victory is won. If anything, our job of military and economic demobilization is greater than before. We have more men in uniform, more men and women in war factories, more and bigger factories at work on munitions. As soon as war production slackens, business and personal tax revenues will drop with it, the Government will likely be forced to rely more heavily on borrowing to finance the transition. Only after that job has been achieved will it be time to let up on our wartime savings commitments.

The Drew Farm Program

This week the first steps in implementing Premier Drew's farm program are being taken at joint meetings of farmers and those connected with agriculture in Ontario. The type of plan which they will debate, and out of which the Drew platform for agriculture originated, was outlined by the present premier of Ontario for readers of The Financial Post in an exclusive article Nov. 8, 1941, dealing with Britain's wartime agricultural organization.

The agricultural machinery which Col. Drew described has functioned well in Britain's emergency, has been largely responsible for making Britain approximately 70% self-sufficient in foodstuffs. Needless to say, many of the measures taken in Britain, some of which were of a drastic nature, will not apply to Canadian agriculture, particularly to Canadian peacetime agriculture. But although the British plan of necessity introduced an element of compulsion, the plan has been essentially democratic, with a great measure of responsibility placed on local committees in much the same way as Mr. Drew plans for Ontario. The rest of Canada will watch with interest Ontario's success in its effort to boost farm living standards, admittedly one of our most important postwar jobs.

The Manning Blunder

E. C. Manning, the young Social Credit premier of Alberta, has not been very long in office, but his government has made an about-face that sets a new high in political naivete for this Dominion. After passing an order in council to remit succession duties of $2,746 on the late Premier Aberhart's estate, Mr. Manning's government cancelled the order because "a certain section of the public and the public press have voiced disapproval."

Mr. Manning's plaintive statement of what he apparently regards as a most unreasonable attitude on the part of the public is matched by the innocence with which he presents the reasons for allowing the remission in the first place:

"The government authorized the remission, sincerely believing that such action would be considered right and proper in that Mr. Aberhart's death occurred while serving in the high office of premier and, particularly, in view of the fact that circumstances prevented a state funeral being held, the costs of which properly would have been borne by the province."

Aside from being a political blunder of the first magnitude, Mr. Manning's action and subsequent defense are evidence of the lightness in which his government holds one of its primary responsibilities. Absolute impartiality in the levying and collection of taxes must be upheld—particularly by the politicians who are responsible for imposing taxes in the first instance.

Mr. Manning's performance on this case very naturally raises the disturbing question: How many outrageous decisions has naivete led him into that we haven't heard about; on which public opinion hasn't had a chance of setting him right?

Shadowy Distinctions

In launching another political and legal drive to gain exemption from corporation taxes, the Saskatchewan Wheat Pool and its members are opening an issue of national import. Specifically campaigning to have the Pool officially regarded as a "co-operative" and hence free from corporation taxes, the Pool members are indirectly sponsoring a reappraisal of the entire corporation tax structure and an end to the artificial distinction between a "co-operative" and any other sort of corporation, private or publically owned.

The dividing line between a co-operative and a corporation, never very clear, has now become obscure. The co-operative is supposed to be a non-profit service organization, but many of them, including the Pools, do earn profits and are conducted on lines essentially similar to those of private enterprise. Yet officially termed "co-operatives" go tax-free, while the corporation has to pay up to 100% of its earnings in Dominion taxes.

The obvious solution to the problem is to end any distinction between co-operative and corporation and tax each type of organization on the same basis.

If that were done, the co-operative which carried on a non-profit service would still pay no income tax, having no income. But the organizations that began to pile up surpluses, as the Pools have done, would find themselves taxed in the same manner as the private enterprise firms with which they are competing directly.

Unless this situation is cleared up, more and more private enterprise firms will either have to discontinue operations, or will have to convert themselves into co-operatives. One result would be a complete drying up of the Dominion Government's revenues from corporation taxes.

Let's Have the Real Reason

WPTB may have good and sufficient reasons for not increasing the supply of small arms ammunition to civilians, but the reason given was neither good nor sufficient.

"It is much more important to Canadians and to everyone concerned that ammunition be supplied to the armed forces for shooting Germans, Japs and other Axis satellites than to sportsmen," preached WPTB. "During the present crisis and until victory becomes a reality, personal interests must be made subservient to those of the country."

Laudable as these sentiments are, they do nothing to explain to a disappointed sportsman precisely why he cannot have his ammunition. The notion that the number of cartridges desired by hunters could make any dent in the supplies needed for the armed forces (after four years of top production) is either ridiculous or indicates that Canada has fallen down on one of its first and simplest jobs of war production.

WPTB would do a far better job of gaining public support by explaining the real reason for such restrictions. If turning out more ammunition for hunters would mean reconverting some machines now being used for war, if workers cannot be obtained for the job, whatever the real reason is, why not tell it? The combination of sermonizing and inadequate information with which WPTB answered the ammunition request convinces no one.

The Start of a Parade

The record and the calibre of the organization which he has left behind him are their own best tribute to the immense national contribution made by George Wilbur Spinney, who leaves the chairmanship of the National War Finance Committee.

Mr. Spinney gave an inspiration and quality of leadership to this body which helped much in making it one of the most successful of all Canadian war enterprises.

His genius for administration was shown in his success in gathering around him an outstanding body of men who made this giant instrument function so well.

Mr. Spinney's return to the presidential chair of the Bank of Montreal probably marks the beginning of a parade.

As our machinery for war winning gets better organized and more experienced, as victory comes nearer and nearer within our grasp, and as the problems of the transition to peace become clearer, many another top flight "dollar a year man" will doubtless be forsaking public office and returning to his own enterprises. One of the most critical of all wartime personnel problems will be to avoid serious interference with the efficient functioning of wartime boards before they can be wisely and safely disbanded.

In Mr. Spinney's case, fortunately, there are men like Graham Towers and Kenneth Henderson, plus an excellent organization, ready to carry on. Unfortunately, this is not the case in many other equally important branches of wartime administration.

Cartoon by Grassick.

THAT WILL HAVE TO HOLD YOU FOR NOW!

The Postwar World . . .

In this department The Financial Post notes current comment, opinion and research on the world that will face us after the war has been won.

Future Fundamentals

The following is an extract from an address delivered to the Phi Beta Kappa Association, Swarthmore College, by Amos J. Peaslee, prominent U. S. lawyer.

We want a more peaceful, more prosperous world in which we may achieve greater liberty and human happiness, with fairness to all, and unjust privilege to none. But let us not make the mistake of trying to saddle upon new political organisms a program so vast as to foredoom it to failure.

What then shall we build?

The architects abound. Artisans exist who are able to execute sound and sufficient plans. But we—the two billion peoples of this world—are the proprietors, the owners, the client, whom the structure is to serve. What tests shall we apply to the plans which are submitted?

I suggest the following as helpful measures for appraising any particular plan for so-called "postwar organization."

First, has it a basic, underlying concept that any breach of the international public peace, regardless of the merits of the controversy, is a matter of concern to the entire community?

Does it accept the distinction which Sir Arthur Salter has so happily phrased between the "good neighbor" as the man who does not cause trouble, and the "good citizen" as the man who is willing to help put down trouble when it arises?

Second, does the plan propose a complete constitutional structure, or does it rely upon building particular instrumentalities from time to time?

The written constitutional system of government has been accepted and applied by over 90% of the national entities. It avoids much possible misunderstanding and confusion. It has worked. But great governmental institutions have also been built upon other bases.

Third, is the organism which is proposed, to be financially self-supporting?

This test, applied to international political structures, is one which has been suggested rarely until recently. It is a test, however, which searches perhaps fundamentally the prospect of success of any plan which may be proposed.

Fourth, does the plan provide a declaration of the rights of individual nations which may not be infringed by any international or supra-national authority?

Fifth, is it a working program, and one restricted to governmental problems, and to those which reach across national boundaries, or is it merely a collection of confused pious hopes?

Sixth, does it propose permanent judicial organs of international government, with mandatory jurisdiction?

Seventh, will the proposed organism contain a deliberative body or bodies which will have actual legislative power?

And, since that means the power to make laws without unanimous consent and without the ratification of each particular legislative act by every nation affected by it, does the plan offer fair treatment to both large and small nations, without penalizing those which already have achieved a considerable degree of federation or integration?

Eighth, will there be an executive organism, with the authority of a servant rather than the arrogance of a master, which will have actual power to enforce the considered will of the community?

In proposing these tests I seek not to imply that the answers to all of them must be in the affirmative. Vast improvement of our international political and economic structure is possible through a variety of programs. Unless tolerance and wisdom accompany our efforts we may lose in accomplishment what we gain in scholarship. If pride of scholarship or restricted horizon tethers us to our own particular project, our influence will wane! If plans which we favor cannot withstand merciless analysis and debate, they should give way to others.

We must be prepared for trial and error. Democracy's justification has never been rooted in efficiency. It is rooted in the ultimate enoblement of the individual.

Post-Scripts . .

Tea Booster

Few people draw as much satisfaction from the tea ration increase this month as Mulk Raj Ahuja, Indian Government Trade Commissioner to Canada. The good news about his country's principal export to the Dominion provided an optimistic note on which to begin his third year of duty here and a welcome contrast to the tidings of the Japanese threat to India heard during his first few months in this country.

MULK RAJ AHUJA

Slim and dapper, with thirteen years experience in the Civil Service of India, Mr. Ahuja is the first Indian Trade Commissioner to be stationed in Canada. His duties have already brought him into contact with scores of people in all parts of the Dominion, and with India now the third largest source of Canada's imports, he is due to become an increasingly prominent figure in government and business circles. Those who meet him find him a genial and energetic man with a sound knowledge of the world's current political, social and economic problems and a cosmopolitan outlook gained during a tour of duties which have carried him from his native Punjab to England, Southern Europe and now to the New World. He speaks Italian and French as well as English and two or three Indian dialects.

After graduating from Lahore University, Ahuja entered the Civil Service as Deputy to the Chief of Commercial Intelligence and was stationed in Calcutta from 1930-34. Then came a brief stay in London before he went to Milan in 1935 as Trade Commissioner, a position he held until Italy entered the war. During this period his field of operations extended from Lisbon to Constantinople. Spain, Jugoslavia, Switzerland, Bulgaria, Greece and Turkey he visited regularly on business junkets which took him out of Italy for eight months of each year. Mussolini's treacherous attack on France brought an abrupt end to this stage of Ahuja's career and he left Italy with other members of the diplomatic corps on an exchange ship which brought him to Lisbon where he re-embarked for London.

Ahuja had no sooner settled down in London than the air raids began. Bombed out of six different apartments, he was soon reduced to spending most nights in the basement of India House where his offices were located. He had several narrow escapes including one in which his companion during an evening's stroll was blown five hundred feet and killed by the blast of a bomb which freakishly left him unscathed.

"My English friends and colleagues kidded me about Indian fatalism during the early days of the blitz," Ahuja relates, "but when I left for India in January of '41, every one of them had become a fatalist too."

In India, which he reached in March, he rejoined his family and the following September he was posted to Canada. His appointment to this country could not have occurred at a more opportune time. Shortly after he set up his offices in Toronto the Japanese seized Singapore and overran Burma. All normal trade channels to India were disrupted and the presence in Canada of an official with an intimate knowledge of India's economy proved of immense help to government officials concerned about future supplies of manganese, mica, jute, vegetable oils and other vital war supplies obtained there.

Before the war, the value of Canada's imports from India exceeded her exports to that country by four to one. Since then the volume of trade between the two countries has increased enormously and although India's exports to Canada far exceed those of peacetime, our exports to India have increased to a point where the previous one to four ratio is reversed. Ahuja thinks that much of this business will be retained after the war. With the expansion of industry in India, he foresees an excellent market for Canadian machinery, construction materials, locomotives and heavy electrical appliances. He also sees a growing demand in India for Canadian tinned foods and Canadian whisky.

During two years in Canada, Ahuja has travelled widely in what he calls "this wonderful country." He is particularly impressed with Canada's medical facilities and practices, which he considers second to none. He credits them with saving the life of his eldest son, a tubercular patient who was flown here from Switzerland shortly after Mr. Ahuja arrived in Canada with his wife, two sons and two daughters. A third daughter is married and living in India.

When not busy with India's economic affairs, the Commissioner likes to play bridge at which he is an expert and to cultivate his victory garden in which, among other things, he raises giant tomatoes and a special species of Indian parsley essential to the making of real curry.

. . .

Youngest Daily Chief

Donald C. Cromie, aggressive son of the late Robert Cromie, who built the Vancouver Sun into one of western Canada's greatest newspaper properties, is at 28 the youngest chief executive of an important Canadian daily.

MR. CROMIE

Since his appointment in Jan., 1942, as managing editor of the Sun his rise in the newspaper profession has been rapid. In July of 1942 he became general manager of the company and last month, following the retirement of his mother from active association with the enterprise, he became president.

In the office formerly occupied by his dynamic father, Don Cromie is maintaining the family tradition for progressive journalism.

The late Robert Cromie entered the newspaper field in British Columbia during a turbulent phase in west coast politics. He had previously been accountant and financial adviser to a contracting firm with large interests west of the Rockies in railroad and other construction projects. But after acquiring the Sun, then serving the morning field, Cromie Senior quickly demonstrated his flair for newspaper work. He and the Sun soon became a power. He was one of Vancouver's most colorful figures and successful business leaders and one of Canada's most persistent travellers. He was one of the first to "discover" the amazing developments in Soviet Russia. His sudden death seven years ago was a shock to western Canada and a loss to Canadian journalism.

In the meantime the Sun company had disposed of its morning franchise and by a series of deals taken over the evening field which it has shared since then with the Southam-owned Province.

At the time of his father's death Don Cromie was still going to school. Born in Vancouver in 1915, he received his early education at Kerrisdale public school, Shawnigan Lake private school, McGee High School and Vancouver College. He finished with three years at the University of Washington, Seattle.

For a few years he was with the Sun as a reporter; then in 1941 he went to the Toronto Star for a brief training in eastern metropolitan journalism. When he returned to the coast he was ready to play an important role in Vancouver newspaperdom.

Three of his brothers have also been in the newspaper business. Robert, the oldest, retired from the vice-presidency of the company a year or so ago to devote his time to ranching in the interior. Sam, who was production manager of the Sun before enlistment in the armed forces, is now with the Royal Canadian Air Force at Ottawa. Pete, formerly with the Sun's accounting department, is in the Canadian Army at Barriefield, Ont.

. . .

Record Producer

Forty-five years of active service in the life insurance business, 42 of them as manager of an important district, is in itself a creditable record. But when, during that time, a man writes more than $15.5 millions of personal business, it is news.

Mederic Monast, who recently retired from management of the Metropolitan Life's Quebec district office, can claim distinction on both counts. His production record is unique in the Metropolitan Life and, it is believed, has not been equalled more than half a dozen times in the history of life insurance.

MR. MONAST

High spots of his career are that for 37 consecutive years he was a member of the $100,000 Club; six years of the Million Dollar Club, 12 years of the $500,000 Club and 11 years of the $200,000 Club. Club membership means the writing of the amount of insurance indicated in one year.

Although Monast has been an insurance man for 45 years his association with the Metropolitan began in 1901. He was at that time assistant manager of La Canadienne Insurance Co. But when that company was taken over by the Metropolitan he became district manager. Under him the Quebec office developed from a small district to one of the largest in the company's Canadian territory, both in volume of business and size of staff.

Of medium height and average build, forceful in character, alert and bubbling with energy and enthusiasm, Monast personifies the successful business executive. On the day of his retirement he was guest of honor at a gathering at the Chateau Frontenac in Quebec City. Guests on the occasion were Second Vice-president C. J. North in charge of the Metropolitan Field; E. C. McDonald, Vice-president in charge of the Canadian Department; George V. Brady, Assistant General Manager for Canada; Georges LaFrance, Superintendent of Insurance for Quebec Province and J. P. St. Laurent, prominent member of the Quebec Bar. He was also the recipient of greetings from the Chairman of the Board—Frederick H. Ecker and President Leroy A. Lincoln of the Metropolitan head office, and Louis St. Laurent, formerly a director of the company and now Dominion Minister of Justice. Mr. Monast has two sons attending Laval University.

Stop Me If

The pensions officer was questioning an elderly woman with a zeal worthy of a better cause.

"And now," he said, "we come to the final question: Have you ever been in the hands of the police?"

Shyly she hung her head.

"Come, come," he said, "tell me the truth."

"Well," she whispered at last, "I don't see as it's any business of the government, but in my young days I was a cook, and, you know, girls will be girls!"—proudly—"he was a sergeant."

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Other People's Views

The Canadian Editorial of the Week

Communist Levitation

Regina Leader-Post

The Communist party is said to have been dissolved. Just when dissolution occurred may not be wholly clear for it appeared to have suffered a sudden demise some years ago when it was declared outside the law. Anyway decomposition now seems to have taken place but a new party has arisen, Phoenix-like, from its ashes. The levitation was effected at Toronto on Sunday when the Labor-Progressive party was organized with Tim Buck, of Communist leadership fame, at its head.

The report of the meeting gives little indication of policy but inasmuch as Mr. Buck managed the affair, assisted by his lieutenants of Communist days, it can be assumed, with reason, that it has changed in name only. It can be assumed, too, that it is going to make an especial bid for labor support. To arrive at that conclusion one need merely look at the distribution of its committee. Thirty-six from Ontario, 20 from Quebec, five from B. C., three from Saskatchewan. Not much representation for farming. In fact most of the committee is from the industrial areas. The Labor-Progressives evidently are not going to make much pretense of trying to play both ends against the middle as the CCF is doing.

But the most interesting part of this affair is the offer of the Labor-Progressives to affiliate with the CCF and the quickly emphatic rejection of the proposal by CCF leaders. Mr. Jolliffe thinks the offer a "blind" and an effort to "take advantage of the CCF party's growing popularity." And Mr. Coldwell said that unless the Communist party drops its Leninism and abandons the very basis of its communism there can be no co-operation. But he had not seen Mr. Buck's statement that the Communists would co-operate with the CCF "whether the CCF liked it or not." Then Mr. Coldwell put in a plug for his own brand of socialism.

In these days words have different meanings to different persons. Hitler, when he was speaking in public, used to refer to those countries he conquered as co-operating with him. Perhaps the CCF and the LP have different meanings for the word co-operate.

But they seem to have one thing in common, since the Comintern was abolished and the Communists chastened. It is that both are now national in their professed objectives. Both seek their own brand of socialism for Canada alone. And, of course, any socialism that is national in character inevitably develops along the path of isolationism and the making of the state the competitor in world business instead of individuals and firms. There can be only one outcome of that kind of competition among states; the world is experiencing it.

Another interesting, if minor, development in the rise of the LP party is the alignment of Mrs. Dorise Nielsen with it. Mrs. Nielsen has been a "Unity" M.P. with what has appeared at time to be leanings towards communism. She seeks the co-operation of the CCF and the LP—a kind of national government advocate of the socialists. With Mrs. Nielsen and the candidate elected in Montreal Cartier there will be two Labor-Progressive members in parliament.

"A business is never a good business until it does equally well for the public, its employees and itself."—*Henry Ford.*

The Mail-box . .

Airpower

In your issues of recent date you told the story of the struggle for manpower in Canadian war training between the air and other arms of the services.

This struggle is due, as you must know, to the fact that a "War win" is going to be made possible by air power, but that the Army-Navy people just hesitate to make themselves admit that the world of fighting has changed these past 20 years. Our observations and reading, listening and watching make us think as follows:

1.—Our fighting for orderly civilization may last several years, according to statements in the press and on the air by some high leaders.

2.—The war is going to be won by airpower—not alone, of course! Don't be foolish or just plain dumb.

3.—The Empire Air Forces will ultimately need to be at the very least, three million strong in fighting men in uniform!

4.—Boys now 13 to 15 may easily be veterans of the present war in the air.

5.—Boys are super-keen for air training, but most older folks lack offense vision as they are bound down by traditions of fixed forts, slow-moving, earth-tied war gear, antique ways of war and "frozen" social usages.

6.—The routine Empire Air Training Scheme may not be enough for our task, as witness the activities of airborne engineers and the like in other armies hither and yon.

7.—Aviation should be taught in every high school in Canada, to every boy and girl, under a system of financial aid for technical education.

8.—Fifty-two per cent of all boys in Canada, ages 15 to 18, are not in any kind of school. These boys should be organized in Air Cadet Corps and be properly led and encouraged.

9.—Air war is expensive and no penny-wise leadership is feasible.

10.—We must build a tank air army, an army of the air, and a flying navy to turn defense into offense.

11.—Any 1914-18 infantry-minded leadership needs to be supplanted by engineering-mindedness in terms of 1944 at least. Engineering put through the Alaska Highway in a few months, whereas politicians were prepared to play around with that proposition for years.

12.—A good many more activities in the democracies need to be placed on the list of nonessentials.

Democracy was not built in a day. Air mail in any part of Canada still costs seven cents. Mark my word; The day when we are so air conscious that we move all mail by air at penny post. That day we'll begin to sweep the skies clear of all opposition to democracy.

D. P. McCALLUM.
(Lieut.-Col. retired).

Ration Boosts In Tea, Sugar May Be Rapid

Grocery Trade Thinks Early Abandonment Tea, Coffee Curbs Possible

"Have another cup" instead of "Did you bring your own?" is the phrase of the hour among tea and coffee drinkers and, according to the grocery trade, there is strong likelihood that rationing of these staples will be modified repeatedly by WPTB.

Outright abandonment of tea and coffee rationing in another six months or so is held by many to be distinctly within the bounds of possibility.

Regulations, however, will continue to forbid the "second cup" in hotels and restaurants, at least until rationing is ended.

At about the same time as rationing of coffee in the United States was suspended outright—tea was never rationed there because of relatively small demand, although wholesalers are confined to a 60% quota—Canada's trade control authority announced that our supply position now justified some relief. Release of one third more tea and coffee, therefore, after a year's rationing which reduced tea consumption by half and coffee consumption by about 15%, is permitted. The increased ration went into effect this week.

"If ocean shipping conditions continue to enlarge the supply," mid-August WPTB announcement said, "another increase in the ration will be made before the end of the year."

The Post is informed that some politically conscious grocers see in the move an attempt to soothe a public, irked by government control policies.

Stockpile is Growing

Canadian tea consumption in 1942, plus re-exports to Newfoundland, totalled 25 million lb. Beginning of last year there were at least 10 million lb. in storage and stock, and imports—about 31 million lb.—brought total available tea for 1942 consumption to 41 million lb. Carryover to this year thus stood at about 16 million lb.

Imports for the first six months of this year have exceeded those for the same period in 1942 by more than a million pounds, it is understood.

Coffee imports in the same period are said to be up five million lb.

With the allowance under ration up one third, Canada should consume roughly 33 million lb. of tea in the twelve months beginning Sept. 2, and still have a substantial stockpile.

India is reported to have a big tea crop again this year—not as great as in 1942, but above average—and increased supplies there are said to be straining for outlet. A director of the International Tea Commission was in Canada in July and undoubtedly made suggestions to the government in that regard.

Butter, Meat, Sugar?

There is difference of opinion about the meat shortage. Against official claims of short beef supply, many in the trade contend Canadian herds are ample to provide for our needs. Meat rationing in Canada began last spring, coinciding with a commitment to ship 25% of total beef production to Britain. If we fulfill this undertaking, rationing might have to be continued for some time, but at this point the price ceiling also enters the picture. Farmers might ship much more freely to an open market, it is pointed out.

Butter stocks on Aug. 1 were up 35% over Aug. 1, 1942, and that represents an improvement in the supply position which might be reflected in relaxation of restriction by spring, The Post is told. By then we will have entered another season of big production and some hold the view that carryover from 1943 will be in considerable quantity, but of course until the Oct. 1 position is known the prospect for increased ration will be obscure.

Short Fruit Crop

There appears to be a sufficient supply of sugar on hand and enough assured to justify expectation of a larger ration to the public. That, at least, is a belief general in the grocery trade, The Post understands. Reduction in the commercial pack of jams, jellies and canned fruits, occasioned by the short fruit crop, and consequent reduction in sugar consumption by the packers, was the reason given for release by WPTB on Sept. 2 of extra sugar as alternative to sweet spreads under consumer rationing. Two "D" coupons, now becoming usable each month for jam, honey, syrup, canned fruit, etc., are good for a pound of sugar if preferred.

Effective Oct. 1, all industrial users of sugar except wineries will get an increase from 70% to 80% of 1941 usage, the Board has also announced.

Honey Rationing Order Too Late is Belief

About 65% of Ontario Early Crop Estimated Sold to Consumers Before Order Issued — Darker Grades May Bring Relief

Rationing of honey came too late to be of much use as regards the white honey crop, men in the trade say. Locking the stable door after the horse is gone is the way they describe it. Reason is that probably 65% of the yield was already in the hands of consumers before the order came out. Accordingly, the balance available for general distribution is much smaller than usual.

The crop this year was small anyway, being estimated at between two thirds and three quarters of normal. The hard winter killed off a lot of hives and weakened many others so that productive capacity was reduced. On top of this came the late spring. Early grains on the farms were sown late, thereby shortening the producing season. When the light honey did come, it came with a rush and then producers were anxious to extract their honey before the darker grades, such as buckwheat, came on. Much of the light honey had a strain of dark in it.

On top of the smaller crop, demand has been heavier, honey being used to augment the short sugar supply for general sweetening purpose, for sweet spreads, etc. In addition, large quantities are being taken by the Department of Munitions and Supply for the armed forces and for men on large government construction projects.

The dark or buckwheat crop is still to come and preliminary reports indicate the yield will be good, although not likely to offset the shortage of lighter grades. Some relief may also be had from the prairies where beekeeping has extended enormously in recent years. The crop there is later and the rationing order was in time to catch it.

Delay in issuing the order is believed due to the desire of the WPTB to avoid rationing if possible. Early in the summer a circular was issued to beekeepers asking them to distribute their honey on the basis of 1941 as far as possible. But in many quarters, as demand developed enormously, producers disregarded the request and sold to the first comers. One farmer reported being wakened up in the night by passing motorists wanting honey.

Another, who was a large grower of berries, ensured a supply of berry pickers by announcing that he would sell honey only to those who helped him pick his berry crop.

Generally it is estimated there has been considerable hoarding among consumers who, visiting several apiaries in a day, accumulated stocks far larger than usual. Even where farmers held down their sales to moderate quantities, consumers by buying 50 lb. here and 50 lb. there built up large supplies.

The Week in Business

	Aug.	July	June	May	Year Ago
Financial Post Production Index	....	251.1	254.8	256.8	214.5
National income, D.B.S. (c)	....	....	§752	§752	649
Dom. war expend. (million $)...	....	264.2	256.3	272.2	185.0
Dom. total revenue (do.)	....	283.0	198.8	205.1	121.8
Dom. Total expend. (do.)	....	498.9	322.0	325.0	345.5
▪Dept. store sales index no.	....	144.9	131.0	138.6	145.5
Retail sales index no.	....	....	155.3	154.5	151.1
Wholesale sales index no.	....	....	174.8	163.6	167.6
▪Country store (% change pr. yr.)	....	+17.6	+14.9	+13.8	+10.6
▪Divd. payment index‡	124.2	124.2	123.5	122.7	123.5
Bank deposits (1935-39=100) ...	....	....	....	171.0	167.6
Cash and cheque pay. index	....	....	171.3	215.7	148.8
Bank debits (1935-39=100)	....	....	147.5	183.0	127.7
Money supply (c)	....	....	4,883	4,727	3,675
NEWSPRINT % OF CAPACITY—					
Production ratio	....	....	69.6	68.6	65.6
Shipment ratio	....	....	73.7	69.6	68.4
RAILWAY FREIGHT LOADINGS—					
Tons (D.B.S. index)	....	190.3	214.5	190.8	188.1
Cars (D.B.S. index)	....	148.0	147.0	142.5	141.4
COST OF LIVING—					
D.B.S. index	....	118.8	118.5	118.1	117.9
EMPLOYMENT INDEX No. D.B.S.—					
All industries	....	....	181.1	178.2	171.7
Manufacturing	....	....	224.1	222.9	205.9
Payrolls (June 1/41=100) (b) ...	....	....	143.6	139.8	125.3
Payroll index (a) (1937=100)	....	....	....	223	197
RAILWAYS—	**1943**	**1942**	**1943 Jan. 1 to date**	**1942**	**Change %**
▪Carloadings (week Aug. 21)	72,320	65,652	2,172,657	2,157,708	+0.7
▪C.P.R. gross (week Aug. 21) $	5,792,000	4,696,000	183,336,000	157,381,000	+14.0
▪C.N.R. gross rev. ... (July) $	39,832,000	33,133,000	250,316,000	202,548,000	+23.6
▪C.N.R. net rev. .... (July) $	8,696,000	7,732,000	53,631,000	45,751,000	+17.2
▪C.P.R. gross rev. ... (July) $	26,642,582	21,926,008	162,874,113	142,959,100	+14.0
▪C.P.R. net rev. ..... (July) $	3,930,047	3,268,451	25,133,209	25,216,534	—0.3
IRON AND STEEL—(July)—					
▪Pig iron production (tons)	151,369	172,153	1,019,158	1,146,153	—11.0
▪Steel production ... (tons)	250,508	256,560	1,749,661	1,815,798	—3.6
CONSTRUCTION—					
Contracts awarded (July) $	16,166,900	32,093,400	118,293,700	167,040,600	—29.2
Building permits .. (July) $	9,697,625	10,677,733	44,964,922	61,979,026	—9.2
Cement prod., bbls (May)	705,544	789,828	2,174,353	2,392,443	—9.2
AGRICULTURE—					
Flour prod., bbls. . (June)	1,855,461	1,335,177	12,159,615	9,725,208	+25.3
Cattle sales▴ .... (July)	77,361	85,024	573,737	609,853	—6.1
Hog sales▴ .... (July)	550,362	461,034	3,733,641	3,608,743	+3.5
SEA FISHERIES—‡					
Catch cwts. ...... (June)	1,069,752	992,079	3,685,576	4,417,285	—16.6
Landed value ...... (June)	5,711,877	3,716,970	14,816,993	10,452,840	+41.8
NEWSPRINT—					
▪Production, tons ... (July)	262,323	241,178	1,705,993	1,899,352	—10.2
▪Exports, tons ...... (July)	269,139	226,971	1,630,131	1,747,258	—6.6
MINING AND OILS—					
Coal prod., tons .... (June)	1,346,851	1,386,452	8,853,962	9,468,709	—2.9
▪Gold rec. (fine oz.) .. (July)	327,836	431,435	2,245,747	2,801,623	—9.9
Petroleum prod., brl. (June)	826,119	856,746	5,037,870	5,240,038	—3.6
ELECTRIC POWER OUTPUT—					
▪Total monthly 1,000 kw.h.'s	3,404,077	2,965,671	23,028,472	21,578,055	+6.7
OTHER INDUSTRIAL FACTORS—					
Shoes, prod., pr. ... (June)	2,830,719	2,891,123	17,402,629	16,493,270	+5.9
▪Cotton consump., lb. (July)*	14,280,748	17,012,696	109,795,767	116,639,598	—5.9
Cigarette cons., No.† (July)	820,512	843,605	6,361,795	5,479,226	+16.1
FINANCE—					
▪Bank debits† ...... (July) $	4,405,946	3,704,133	29,873,333	25,358,749	+17.4
Bond sales† .... (June) $	392,922	298,653	3,409,431	2,021,668	+68.6
▪Life insurance sales (July) $	51,228,000	44,868,000	332,103,000	283,648,000	+17.1

‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
▴Total at yards and plants. †000 omitted. ▪Millions of dollars.
‡Supplied by Nesbitt, Thomson & Co. *1935-39=100. (c) 000,000's omitted.
(a) Compiled by Canadian Bank of Commerce. (b) All industries. §Estimated.

Up Power Supply In Quebec Area

From Our Own Correspondent

MONTREAL.—To meet additional power requirements for war industries in St. Maurice Valley, the Shawinigan Water & Power Co. at Rapide Blanc and St. Maurice Power Corp. at La Tuque have completed installation of an additional generator unit, in each plant, with a combined total capacity of 84,500 h.p.

This work, carried out at the request of the Federal Power Controller, will not only benefit St. Maurice Valley, but will also supplement power supplies available to the Quebec City area.

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FIRST PRESIDENT

Frederic G. Coburn heads the reorganized Brown Company, producer of pulps, paper and allied products, after eight months as special assistant to H. P. Kendall, chairman of the Board. Successively he has been executive with Bethlehem Shipbuilding Corp.; partner of Sanderson & Porter, engineers; chief executive officer of The Aviation Corp. and its subsidiary, American Airways, Inc. (now American Airlines, Inc.); president of McLellan Stores Co., and later president of Air Associates, Inc.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Shawinigan W. .	*4%	1961	Oct. 1	103
Atlantic Utilities	4%	1957	Sept. 1	102
Int. Paper Co. ..	▴6%	1955	Sept. 1	105
Can. Pac. Rly. ..	4½%	1946	Sept. 1	100½
Can. Breweries A	5½%	1946	Sept. 15	102
Do., ser. B	5%	1951	Sept. 15	100½
Do.	4½%	1945	Sept 15	102
Prov. Light	†5%	1946	Sept. 1	105
Hamilton Cotton	4½%	1950	Nov. 1	101½

*$2,224,000. ▴$456,500. †$77,000.

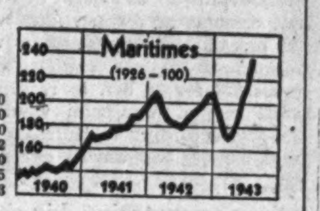
Business at High Level In Most Areas of Canada

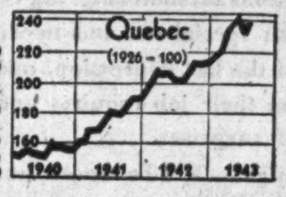
Three of the five economic areas recorded further acceleration in business transactions during July over the preceding month. New high levels were reached in the Maritimes and in the Prairie Provinces. A part of the recession of the preceding month in Quebec was counterbalanced in July. A minor recession was shown in Ontario and British Columbia.

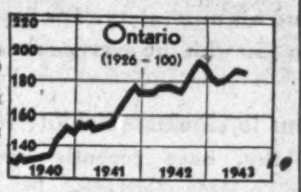
Marked gains were recorded in building permits in each of the five economic areas. Further betterment was shown in the output of power.

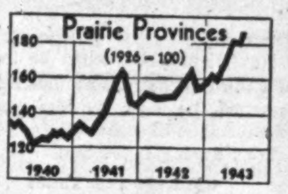
Trend of Business in Economic Areas

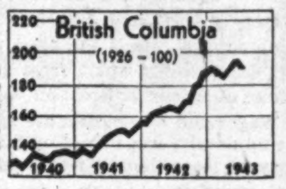
	July 1943	% Change July 1942	June 1943
Maritimes:			
Construct. contracts.. $	1,546,000	—75.3	2,084,000
Bldg. permits ...... $	623,000	+17.1	390,000
Life insur. sales .. $000	3,707	+9.7	3,840
Bank debits .. $000,000	100.9	+18.1	98.2
Electric pwr. . kw.h.000	98,000	+27.3	95,000
Employment*	175.3	—1.1	170.5
Index	238.9	+25.2	217.3
Quebec:			
Construct. contracts .. $	5,826,000	—20.3	4,990,000
Bldg. permits .... $	2,503,000	+63.0	2,466,000
Life insur. sales .. $000	13,241	+14.4	13,981
Bank debits .. $000,000	1,310	+20.1	1,287
Electric pwr. . kw.h.000	2,046,000	+19.9	2,000,000
Employment*	197.7	+5.7	192.1
Newsprint prod. . tons	262,323	+8.8	257,845
Cotton consump. .. lb.	14,280,748	—16.1	15,175,814
Index	239.2	+15.5	236.0
Ontario:			
Construct. contracts . $	5,406,000	—58.9	8,216,000
Bldg. permits .... $	3,800,000	—8.9	3,046,000
Life insur. sales .. $000	21,579	+11.1	22,221
Bank debits . $000,000	1,955	+12.9	1,928
Electric pwr. . kw.h.000	831,000	+5.1	832,000
Employment*	182.9	+1..	181.8
Livestock slaughterings*	2,292	+9.0	2,222
Steel production . tons	250,508	—3.0	239,501
Index	186.9	+5.1	187.4
Prairie Provinces:			
Construct. contracts . $	2,593,000	—35.5	3,994,000
Bldg. permits .... $	2,074,000	+35.5	1,449,000
Life insur. sales .. $000	7,396	+16.8	7,501
Bank debits .. $000,000	765	+47.1	779
Electric pwr. . kw.h.000	210,000	+14.1	220,000
Employment*	138.5	—0.7	135.9
Wheat receipts .... bu.	24,462,000	—1.1	32,035,000
Wheat prices**	109/3	+35.3	101/4
Index	188.0	+17.2	183.2
British Columbia:			
Construct. contracts .. $	795,000	—40.6	1,194,000
Bldg. permits .... $	697,000	+12.7	544,000
Life insur. sales .. $000	3,854	+23.2	4,184
Bank debits .. $000,000	274.3	—0.8	256.7
Electric pwr. . kw.h.000	219,000	+5.8	208,000
Employment*	187.6	+11.7	186.8
Index	192.1	+13.3	195.9











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City Gas & Electric Plan Makes Progress

From Our Own Correspondent

MONTREAL.—Court approval has been given to a proposal of the City Gas & Electric Corp., at Three Rivers, for a compromise arrangement between the company and its creditors.

The scheme as presented was approved by the secured and unsecured creditors and shareholders, and the plan now goes before a judge of the Superior Court for final sanction.

Under the arrangement, common shareholders will receive one share of new no par value common stock for each 25 shares held. The unsecured creditors will get new stock on the basis of 25 shares for $750 of their claims, and secured creditors, including the bondholders, will receive 50 shares of common for each $1,000 bond surrendered.

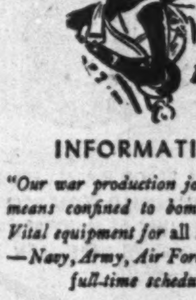
Automatic Elec. Takes Over Supplies Firm

Business and assets of Canadian Telephones & Supplies Ltd. have been transferred to Automatic Electric (Canada) Ltd., whose designs and patents have been used largely in tooling up and manufacturing done by the former for some years. As Canadian Telephones & Supplies has no export position, it is expected that through the present reorganization Automatic Electric will obtain for its Canadian factories the same advantages of its own export rating. Moreover, its selling position will be brought into conformity with the manufacturing trend of Automatic Electric factories.

deHavilland Mosquito.

· you see Northern Electric at WAR

No, we don't build bombers ... *our* job is to give speech, sight and hearing to those argosies of victory—those D-for-Donalds, C-for-Charlies and their gallant crews who are making aerial history. And into this work go sensational developments in electronic equipment fashioned and perfected to guide our airmen (many of them our fellow workers) to *any* target ... through *any* weather ... and to bring them safely home again. The men and women of Northern Electric ... the hands that man the machines ... are working at high speed, accurately, in a full-time effort to produce the world's best equipment for the world's best fliers. Only when peace comes will the hands of Northern Electric return to their regular activity of manufacturing wires and cables, telephones, radio receivers for civilian use ... all the products of a national electrical service.



INFORMATION

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Northern Electric
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IN WAR AND IN PEACE—A NATIONAL ELECTRICAL SERVICE

Auto Parking

Wartime Driving Bans Hit Parking Lots

Depression-born Business Feels 50% Volume Cut

Hard hit by wartime limitations on motoring, big city downtown parking lots furnish specialized and needed service to community. Born of the last depression, open air parking lot operators claim their job requires good traffic management, is full of surprises.

Average small operator may gross $250 a month, have $125 left to cover overhead and his own salary. His day's "take" may range from $25 to $50 with the average much closer to the former figure.

Proprietors take precautions to eliminate liability for damage to parked automobiles, have recently been plagued by outbreak of thefts.

By CLIVE H. CHATTOE

In auto-rich Toronto as in other Canadian cities, downtown motor traffic has been decimated.

The ubiquitous parking lot, however, continues to furnish a specialized and essential service to the community and to many a motorist who is completely unaware of the angles to parking as a business.

Enterprisers in open parking still are grossing in Canada quite a few millions annually despite heavy wartime loss of custom and personnel. "Reduced by half" is the way leading individual and chain lot proprietors describe overall volume today; they number in "scores of thousands" Canadian cars retired or curtailed in use under gasoline, rubber and other wartime supply controls.

Began In Depression

Downtown open parking business in Canada originated, less than 15 years ago, in the depression-caused decline of business building occupancy and attendant demolition of older structures to save taxes. So says Maxwell Lewis, solicitor of the Toronto Outdoor Parking Association, of which Max Gold and R. O. Yake, chain owners, are leading members.

From 10-car lots in Chinatown to T. Eaton Co's 300-car areas, and from the many stations of chainmen Yake and Gold to the trim 150-car King Edward Hotel park operated by individualist Fred Hutchins, downtown Toronto parking proprietors see much of interest in their work and customer relations.

Are Specialists

It takes good traffic management and the hand of a "lot parking specialist," they contend, to meet customers' time demands and keep cars moving safely but smartly in on-the-lot circulation. "Drivers" must be skilled and experienced. Women haven't entered the field to any extent as yet but will if the manpower situation continues to get worse.

The business is full of disconcerting surprises, proprietors say. One hour may see entry of one or two cars, the next, literally dozens. Now and again a customer will present a shoe-repair ticket and then shove off to his shoemaker with a parking check. This actually happened while The Financial Post was visiting Hutchins. Recently, it is reported, night attendants have been chasing and catching parts thieves.

Stock-in-trade is space, supervision and extra service. Average staff is one day, one night man, whereas before the war two on each shift would enable the station to perform more custom-building services, like tire pumping, windshield wiping, picking up or delivering cars for rainbound women patrons.

Overhead includes maintenance of paved or cindered area, floodlights, office light and signs, water, telephone, office heating, stationery (tickets; invoices) and postage, rags, chamois, windshield fluid, etc. If the station owns its lot, taxes are high and amortization costly; if it rents it does so usually at high rates.

Autumn brings best volume of business with above-zero winter weather second. Wartime drop in tourist and convention traffic has intensified the usual vacation-period lag. It is pointed out that ever since manufacturers concentrated on the one-piece body, giving the car a metal roof, rough weather has been no bar to all-year outdoor parking.

Competition Keen

Competition is a big factor in tariffs which in this business have a complicated structure governed by area character and traffic. There is wide variation among districts and among individual stations in a given district as to rates, and as to such privileges as out-and-in-again during term of occupancy.

Lewis tells The Post U. S. rates average 2/3 higher, thinks Canadian rates will climb after the war. Competition has shaved tariffs below reasonable level with the result landlords aren't drawing desired revenue.

Lewis, incidentally, thinks downtown Toronto is due for an oldtime building boom which will absorb most of the larger central lots; he is one of those, at the same time, who predict great increase in motor car registration after the war. These factors add up, Lewis thinks, to a seriously intensified municipal parking problem.

Expansionist interests, according to Hutchins, employ clockers to observe business volume at active independent stations, then in some cases over-bid the land lease and freeze out the originator. The latter is out of luck because character of the business forbids his taking custom with him to a new site.

Average small operator is described as a man who would lease a lot at $75 a month, gross $250 a month and pocket $125 a month (less overhead) as salary. In transient custom (as distinct from week or month term business) a well-located 80-100 car station would gross $28 for 24 hrs. in reasonably good season. Maximum would be $35-$50, according to Hutchins who says his top was during one night, a New Year's eve, when he took in $40. Ordinarily night business is lessened, he says, by less rigorous enforcement of street parking regulations during those hours.

Controls and Taxes

Only an ordinary degree of wartime control affects the open parking lot business, apart from severe effect of supply controls on volume.

Wages and other costs are said to be up despite wage freezing but this may be more than offset by personnel reduction.

Like other businesses, lot operators' tariffs are fixed by WPTB order as of the late 1941 base period.

A power control order limits wattage per sq. ft. which may be consumed in lighting a parking lot and the dimness thus imposed is said by some operators to constitute an unsatisfactory and in some regards an unsafe condition.

Lot men are accused by garage operators of having profited by what the latter consider discriminatory treatment in regard to municipal business tax. Garages are paying 25% of land and building taxation while lot operators, with no buildings, are paying 10% of land tax levy as a business tax, it is claimed.

Before the end of the first world war, taxation was equal, although there were then perhaps only a half dozen downtown open lots in operation. Veterans afterward opened many others and, on the grounds of their war service, won tax reduction to the present 10% level for open lots.

The lotman's argument against re-equalization of rates is in general to the following effect: Garage operation usually includes washing, simonizing, greasing, supply and adjustment services and for this reason, as well as because it is conducted in a building, one which is or may be increased to two to five or more stories, is a business almost entirely unrelated to open lot operation.

If the lotman wants to multiply his business he is obliged, it is contended, to expand laterally and on premium land which in the downtown area is valued at $1,000 and more a foot; prohibitive cost of such expansion puts the two businesses in distinctly different schools, lotmen say.

Losses and Liability

While in the main honest dealing characterizes relations in the business, proprietors say dishonesty isn't unknown among clients and attendants. There are some controls on deceptions which might be practiced by the latter but character selection and decent wages are held the best preventive. Most lots keep a record sheet of license numbers; the management's checker periodically compares the sheet with actual showing of the lot as a curb on forgetfulness as well as cupidity.

Sometimes short-stay cars are parked on the lot's edge to facilitate departure, but when the motorist takes this as an invitation to drive off without paying, it is the attendant, not the management, who pays the shot.

Unlike a repair garage, a parking lot can't hold a car for non-payment of fee, can only blacklist the car or sue in civil court.

Parking men are quick to point out that they're not in the insurance business, nor even dealing in "reserved seats." They can only give rental space and no set space at that, they say.

Signs on the average lot and checking tickets say that the management declines responsibility for car or contents and that employees have no authority to accept any save that of reasonable supervision. Many lots, if clearly responsible for broken glass, bent or scratched mudguards, etc., will make the damage good. If another customer is responsible, the management will act as witness.

The point is that some protection is afforded the customer but the non-liability notices protect management from wilful or innocent false claims.

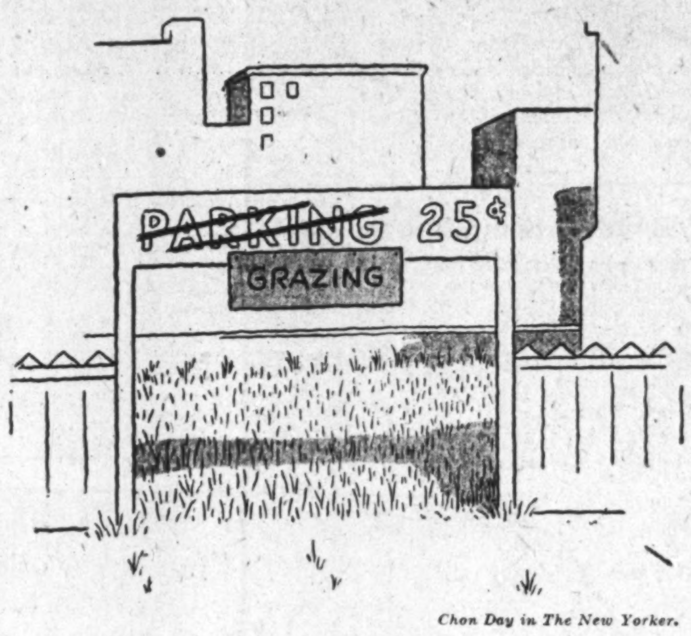
Example is given of car owner or his wife who may have sustained body damage in traffic or street parking without having observed it until the car is claimed after parking on a commercial lot; the moral, inspect your car after parking anywhere.

Until the day comes when downtown zoning by-laws provide effectively for self-contained auto parking for large buildings, or when underground garages are constructed under parks and squares in congested areas, North American cities of Toronto's automotive stature will be digging around for solution of the problem of the idling car. Meanwhile thousands of motorists in each of such cities will continue to drive in at open and covered commercial parking stations once or several times a day.

In use as commercial auto park in downtown Toronto—a 400-acre area bounded by Dundas St., the waterfront viaduct, Jarvis and Simcoe Streets—vacant land has an assessed value of just under $5 millions. There are, within these boundaries, 130 car parks, uncovered stations holding 8,000 cars at a filling, garages another 5,000.

The open parking lot in occupancy of gilt-edged real estate is a problem of Detroit, world motor production capital, as well as of Toronto, Canadian automotive traffic metropolis. Detroit's 450 downtown acres are 23% vacant land, Toronto's 400 roughly 16%, The Post is informed.

City planners of both are giving study to future development of such property but, with street parking frowned upon officially and the parking garage not enthusiastically proposed as the long-term solution, the urban central parking problem remains for them unsolved.



Chon Day in The New Yorker.

GONE TO GRASS!

Aunor May Deepen Shaft

Operation Will Open Four New Levels to 2,000-ft. Horizon

Following recent favorable reports on development on the 1,375-ft. and 1,500-ft. levels of Aunor Gold Mines, it is believed consideration is being given to deepening the main shaft to 2,000 ft., permitting establishment of four new levels at 125-ft. intervals. A sinking hoist has been installed by the company.

At the end of last year ore reserves were estimated at 531,000 tons of .285 oz. grade. It is expected that favorable disclosures on the 1,375 and 1,500-ft. levels will result in that position being strengthened during the current year after milling of 160,000 tons.

On the 1,375-ft. level ore has now been opened up over a length of 800 ft., and there remains an extension to the west of 600 ft. On the west, 225 ft. of the ore already opened there is indicated a probable stoping width of 20 ft. to 25 ft. and in the central section of 450 ft. an average ore width of 15 ft. is shown. Development on this level has shown an average ore grade of 0.326 oz. a ton.

Horizontal drilling on the 1,500-ft. horizon has indicated widths up to 25 ft. There is transverse faulting to the west with evidences of ore widths of 20 ft. to 25 ft. Development on this level, as previously reported, yielded an ore grade of 0.35 oz. in the 960-ft. extension opened up.

On the 1,125-ft. level, stope development is proceeding over total ore extensions of 900 ft. across average widths of 30 ft. In these main stopes there has been opened up a total of 2,400 tons to the vertical foot. Stope preparation has been completed on the 1,275-ft. level, with ore blocked out of comparable tonnage to that on the 1,125 ft. In the vertical block between levels 11 and 12 nearly 300,000 tons are indicated with grade showing above mine average.

Dom. Textile Strike Threat

From Our Own Correspondent

MONTREAL.—About 900 of the 3,400 persons employed by Dominion Textile Co.'s five mills and one general machine shop in Montreal will be involved in a strike scheduled for Sept. 11 unless their grievances are settled beforehand.

The union wants recognition as the sole bargaining agent for the employees; the full cost-of-living bonus instead of the $3.30 now paid; a general increase of 10 cents an hour for every worker and a full week's holiday with pay.

G. Blair Gordon, president and general manager of Dominion Textile Co., says that any such strike would be illegal. "We are working on war contracts, and under present war regulations we cannot grant those demands."

A delegation from the United Textile Workers of America, A. F. of L., has approached Hon. Edgar Rochette, Provincial Minister of Labor, in an effort to have him intervene on their behalf.

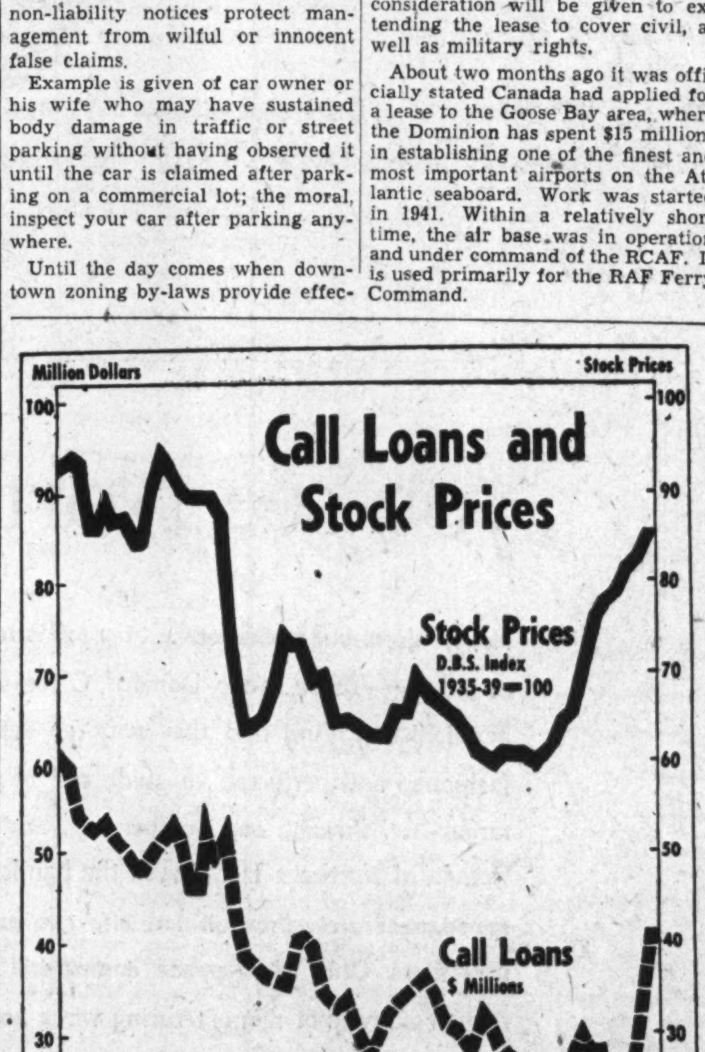
Canada Leases Goose Bay

Obtains 200 Sq. Miles in Newfoundland-Labrador for 99 Years

From Our Own Correspondent

MONTREAL. — Two hundred square miles of the Goose Bay area of Labrador, centring on Hamilton Inlet, have been or are about to be leased to Canada for 99 years on a military basis. It is further understood the arrangement, in which the Newfoundland Commission and British Governments are parties thereto, provides that after the war consideration will be given to extending the lease to cover civil, as well as military rights.

About two months ago it was officially stated Canada had applied for a lease to the Goose Bay area, where the Dominion has spent $15 millions in establishing one of the finest and most important airports on the Atlantic seaboard. Work was started in 1941. Within a relatively short time, the air base was in operation and under command of the RCAF. It is used primarily for the RAF Ferry Command.



Representing advances to brokers and other customers on the security of stocks and bonds, call loans of the chartered banks expand when stock trading is active and prices increasing and contract when the situation is reversed. Chart shows how, with a slight lag, call loans in Canada have followed the trend of stock prices. In recent months the upward trend in both has been substantial.

IMPORTANT FACTS ON PULP & PAPER WAR EFFORT

HOW THE PULP & PAPER INDUSTRY HELPS SAVE THE LIVES OF WOUNDED SOLDIERS

CARDBOARD IS USED not only for packaging blood plasma; it is helping in the battle of the Atlantic by reducing the weight of shipments and making larger cargoes possible. It is also releasing such scarce materials as tin. The industry is doing *a real war job;* it will play its part, too, after the war.

IN PEACETIME... CANADA'S GREATEST MANUFACTURING INDUSTRY

THE PULP AND PAPER INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

THE LENGTHENED SHADOW OF A MAN...

● The love and devotion of a man for his family can live on after his passing. He can make sure of a regular income for his family whether or not he is here to earn it:

He can provide funds to clear off a mortgage, to give his children an education, to enable his family to face the future without fear of privation.

All these benefits can be assured by an Imperial Life policy: Life insurance is indeed "the lengthened shadow of a man", continuing into the future the means for the upbringing of his family just as though he himself were present.

Imperial Life policies are designed to provide for a man's retirement years as well: Your Imperial Life representative will be glad to discuss with you a plan suited to your particular needs.

See Your Local Representative

IMPERIAL LIFE
Founded 1897
Head Office . . TORONTO

HISTORIC "FIRSTS" IN RUBBER

First in America... to build tires for Automobiles

"The first tyres in America on commercial motor-vehicles were made by the B. F. Goodrich Company in 1896 for Winton cars", says the Encyclopaedia Britannica.

In the 47 years since those first tires were made, B. F. Goodrich has completed a long list of achievements in the development of tires and rubber goods. Year after year B. F. Goodrich research and engineering have blazed new trails. The many improvements they have developed have done much to give today's tires their present amazing durability, blow-out protection and non-skid safety.

One of the more recent B. F. Goodrich developments was "duramin", that amazing combination of chemicals discovered by B. F. Goodrich research scientists. Duramin helps keep rubber young and alive, makes it tougher, more resistant to heat, sunlight and oxygen.

B. F. Goodrich research still goes on. New developments will be ready when increased supplies of rubber are again available for making tires. And no matter what kind of rubber is available—guayule, natural, reclaimed, or any other—as since 1870, B. F. Goodrich will make the finest tires that can be made from it.

SAFETY FIRSTS... that make your tires last longer

Drive below 40 M.P.H.
Check tire inflation weekly.
Have your tires inspected regularly.

These are firsts in safety for your present tires... which very likely must last you for the duration. There is still no prospect of sufficient rubber for ordinary civilian needs. So don't take chances with your present tires.

In war or peace
B.F. Goodrich
FIRST IN RUBBER

NATIONAL SELECTIVE SERVICE

Additional Classes of Men Are Now Covered by Compulsory Employment Transfer Orders

An Announcement of Importance to Employers and Male Employees, in the Lines of Employment Listed Below

Five previous Compulsory Employment Transfer Orders have been issued under authority of National Selective Service Civilian Regulations. These Orders covered men in classes designated under National Selective Service Mobilization Regulations, as well as young men 16 to 18 years of age, who were employed in specified employments at the time of the issue of the Orders.

A recent Order, the 6th Compulsory Employment Transfer Order, has been issued under National Selective Service Civilian Regulations (as amended). The effect of the 6th Order is to extend the coverage of the five earlier Transfer Orders to certain men not previously affected, if now employed in any of the employments specified. The men now added are those not already under the Orders, who have passed their sixteenth birthday but have not reached their forty-first birthday.

GENERAL INFORMATION

1. OBJECTIVE: The Compulsory Employment Transfer Orders authorize National Selective Service to investigate the present employment of the men covered, with a view to effecting transfers to employment vacancies at more essential work.

2. EMPLOYEES' OBLIGATIONS: A male employee covered by the 6th Order must report to the nearest Employment and Selective Service Office not later than September 8th, 1943. He must report personally if he is close enough to visit an Office, or by letter if too far removed from an Office to visit it personally.

3. EMPLOYERS' OBLIGATIONS: An employer of an employee covered by this Order may not employ or continue to employ such male employee after September 8th, 1943, unless under special permit of National Selective Service.

Any male employee, at least 16 years old and not yet 41 years old, employed in any line included in the following list of employments, who did not report to National Selective Service under any one of the first 5 Transfer Orders, must do so not later than September 8th. (The list of employments here given, as contained in the 6th Order, is a consolidation of all employments covered in the first five Orders.)

A. Any Occupation in or Associated with the Manufacturing of:

(1) candy; confectionery; soft drinks; flavouring extracts and syrups; fruit juices for soda fountain use or for the manufacture of soft drinks; colours for bakers' and confectioners' use.

(2) cigars; cigarettes; chewing and smoking tobacco; snuff; tobacco pipes; cigarette holders; cigar holders.

(3) curtains; draperies (from fabrics not produced in the same establishment).

(4) fur garments; fur accessories; fur trimmings, (excluding the manufacture of sheep-lined clothing).

(5) handbags (women's); women's purses; small leather articles such as billfolds, card, cigarette and key cases, coin purses and cheque book covers.

(6) hats; hat bodies; hatter's fur for use as material in the production of fur felt hat bodies; caps; cap findings such as cap visors, sweat bands and trimmings; tip printing and stamping of hats and caps; artificial leather; padding; upholstery filling.

(7) household furniture (except mattresses and bedsprings); metal office furniture; metal restaurant furniture.

(8) frames for mirrors, pictures, photographs or medallions; picture frame mouldings.

(9) monuments; tombstones; cut-stone; stone products; slate products; ornamental metal work such as ornamental metal doors and sash, window and door frames, store fronts, moulding and trim; signs; advertising displays; advertising novelties.

(10) neckties; scarfs; neckwear (other than knitted); bath robes; lounging robes; dressing gowns.

(11) pens; mechanical pencils; pen points; penholders; parts of mechanical pens and pencils; artist's materials; drafting materials.

(12) jewellery; jewellery cases; fancy boxes and trays for jewellery, instruments, cutlery, eyeglasses, combs, cigarettes, pipes, toilet sets, cigar boxes (wood); fancy boxes (wood).

(13) perfumes; cosmetics; toilet preparations; beauty shop equipment; barber shop equipment.

(14) pianos; organs; accessories, attachments or materials for organs or pianos; musical instruments; parts and materials for musical instruments; phonograph records; games; toys; dolls; doll parts; doll clothing; children's vehicles.

(15) furniture for public buildings such as schools (including wooden blackboards), theatres, assembly halls, churches and libraries; seats for public conveyances; office fixtures; store fixtures; prefabricated partitions; shelving; cabinets, show and display cases; fabricated woodwork such as bar fixtures, telephone booths, butchers' fixtures, lockers, statuary wooden pedestals, display racks and stands and store or lunchroom window backs; prefabricated wooden store fronts; window shades; window shade rollers and fittings; curtain rods, poles and fixtures; Venetian blinds; porch shades; wallpaper; rubber tile and sheet flooring; wainscoting; lamp shades.

(16) rattan wares; willow wares (except fruit and vegetable baskets).

(17) soda fountains; ice cream parlour equipment; beer dispensing equipment; tanks, siphons, parts and accessories for soda fountains, ice cream parlour and beer dispensing equipment; vending, amusement or other coin-operated machines; store machines and devices; household machines; service industry machines; electric vacuum cleaners.

(18) feathers; plumes; artificial flowers; chewing gum; wine; lace goods; greeting cards; factory production of statuary and art goods; wigs; toupees; braids, switches, transformations and related articles made largely from human hair.

B. Any Occupation in Wholesale Activities except that Occupations in the following lines of Wholesale Trade are NOT included:

(1) books; papers; magazines; sheet music.
(2) electrical equipment for industrial use.
(3) farm products (excluding tobacco); farm supplies.
(4) food products.
(5) fuel; ice.
(6) gasoline; oil; grease.
(7) hardware; lumber; building materials.
(8) leather; leather goods.
(9) machinery; machinery equipment.
(10) metals; minerals; chemicals.
(11) paper; paper products.
(12) plumbing supplies; heating supplies; ventilating supplies.
(13) scrap metal; junk; waste.
(14) watches; clocks; timing instruments.

C. Any Occupation in or Associated with any of the following Activities:

(1) art; authors; art galleries; museums; commercial art services; library operations; framing pictures; portrait photography; photography for advertising agencies, publishers and other industrial users; film developing and print processing of films; lapidary work (except for diamond dies and industrial diamonds).

(2) dyeing, cleaning and pressing; baths; guide service; shoe shining; operation of ice cream parlours and soda fountains; barber shops; beauty parlours; gasoline-filling service stations.

(3) distilling alcohol for beverages; brewing; breweries.

(4) entertainment including but not restricted to film agencies, theatres, motion picture companies, amusement parks, bands, orchestras; billiard and pool rooms, bowling alleys, recreational clubs and recreational services (excepting radio broadcasting stations).

(5) florists; flower growing; horticultural services (except tree surgery).

(6) raising of special livestock, such as race horses, dogs, cats and other pets.

(7) leather currying, finishing, embossing and japanning.

(8) costume renting; fur dressing and dyeing; fur storage.

(9) distilling and refining natural essential oils and witch hazel extract.

D. Any of the following Occupations in any Industry:

Bus boy; charman; cleaner; custom furrier; dancing teacher; dish washer; domestic servant; doorman; starter; elevator operator; greens keeper; grounds keeper; hotel bell boy; porter and waiter (other than in railway train service); private chauffeur; taxi driver.

E. Any Occupation in or Associated with the following Retail Activities:

(1) retail stores; restaurants; lunch rooms; taverns; retail liquor, wine and beer stores.

(2) retail sale of candy, confectionery, tobacco, tobacco products, books, stationery, magazines, newspapers; magazine subscription agencies; retail news agents; office and school supplies.

(3) retail sale of motor vehicles; motor vehicle accessories; sporting goods; musical instruments.

Full information on the coverage, intention and effect of this Order, also on appeals against directions issued, is available from any Employment and Selective Service Office. Penalties are provided for failure to comply. The 6th Compulsory Employment Transfer Order is issued under authority conferred on the Minister of Labour by National Selective Service Civilian Regulations (P.C. 246 of January 19th, 1943, and amending Orders in Council)

DEPARTMENT OF LABOUR

HUMPHREY MITCHELL
Minister of Labour

A. MacNAMARA
Director, National Selective Service

LONDON CALLING

WRITTEN EACH WEEK EXCLUSIVELY FOR THE FINANCIAL POST BY Adelphi

LONDON.—When Mr. Chamberlain flew to Berchtesgaden the whole world gasped. His subsequent flights to Godesberg and Munich excited only political interest.

When Mr. Churchill first flew the Atlantic it was one of the biggest news stories of the century. Now if he went to the North Pole it would surprise no one. Rightly or wrongly the public here feel that a Churchill-Roosevelt meeting in Quebec is not enough. Where is Stalin? Even the inclusion of Mr. Mackenzie King does not altogether make up for the lack of the Russian leader.

The energy of Winston Churchill is beyond belief. I have often seen him bored but only once tired. That was at a private luncheon. He takes no particular exercise, smokes innumerable cigars and stays up far too late. But as Sir William Mulock said: "The way to keep young is to get a bang out of everything." Churchill has certainly followed that system.

* * *

Maisky Question Mark

There is a good deal of uneasiness about our relations with Russia. The recall of Ambassador Maisky to Moscow seemed an unfortunate move. Stalin is not a leader who normally wants advice from his emissaries abroad. This may be the exception but M. Maisky was doing a fine job here and we would have liked him to remain.

The press is paying as much attention to Russia's absence from the conference as to the conference itself.

Wing Commander Gibson, V.C., hero of the dam-busting raid, who piloted the Churchill plane on its flight to Quebec, lives near me in London. Before taking off he merely said to his young wife: "I'm off somewhere and I don't know when I'll be back." As a perfect wife she asked no questions. It is a great experience for him.

* * *

A Long Time to Die

Canada is occupying a lot of space in the British newspapers. The Ontario election and the four by-election defeats for the Federal Government are making political London wonder what influences are at work. The future of politics here is so confused that everyone is watching the trend in Canada as a possible guide to public opinion in Britain.

The Evening Standard explains Mr. Mackenzie King's setbacks as the working of a natural law. "Governments are born to die," says the Standard, but some governments, like Charles II, are an unconscionable time about it.

London is interested in the return of Mitchell Hepburn to the political scene. It does not know Mr. Hepburn, but it likes him. People here think he's a bit of a lad and "up to summ'at," as they say in Lancashire.

In the meantime Britain continues to regard Canada's war effort as magnificent. The Dominion never stood higher.

* * *

No Longer "In the Red"

Canada's near neighbor, Newfoundland, is also causing thought in political circles in London. Newfoundland is no longer "in the red." The extravagance of war has cast its benefice upon Newfoundland so that she is now in a position to lend money at no interest to Britain.

Now that the air age is on us Newfoundland becomes of immense strategic importance. England is asking: "Does she want to return to Dominion status or would she prefer to be part of the United Kingdom like Ulster and have representation in the British Parliament?"

Needless to say, Newfoundland can have whatever she desires. Apparently, however, she has not made up her own mind. Everyone is tired of the Commission for the simple reason that its members, while full of integrity, lack the imagination to understand local psychology. Yet there is a feeling that it would be better to wait until the Newfoundland soldiers come back from the war.

So Britain also must wait. It is an odd situation, and I imagine that there will soon be a move on both sides for the return of Dominion status.

* * *

Cripps' Crime

Sir Stafford Cripps is in trouble again. As you know, he was cast out from the Labor party executive about six years ago so that he is really an Independent although representing a Labor divisional association. A year or so ago there was a by-election in North Bristol (Cripps sits for East Bristol). The Socialists, adhering to the party truce, did not oppose the Tory candidate. Miss Jennie Lee, however, ran as a Left Wing Independent and was helped by Cripps' organization. Jennie was defeated, but that did not lessen the crime of the Crippsites. Since the Socialist executive cannot punish Sir Stafford, as he is outside the party, it has censured his association. Now Cripps is threatening to form a new local association with a few ribs taken from the old one.

If this is carried out we shall presumably see Sir Stafford fighting in opposition to a Socialist as well as a Tory candidate. Unless all calculations are wrong this would hand the seat to the Tory and Cripps would be out.

I don't know how it all will end. Labor respects Cripps, but the party is very sensitive on the subject of discipline. At any rate I am delighted to see our old friend Stafford back in these notes again. He used to be a regular dish on the menu.

* * *

Experiment in the Theatre

There is a great stirring of life in the London theatre. There never was such a boom, and to the credit of the managers some of them are daring to experiment instead of merely cashing in.

One of the most interesting of these experiments is Tom Arnold's massive production of Tolstoy's "War and Peace." By a brilliant piece of stage construction he has a set which, by the removal of a stairway here or an arch there, can serve for anything from a barracks to a ballroom. The variety really comes from the use of a backcloth against which a projector pointed downward from the back of the proscenium throws convincing colored scenes.

Thus we see Moscow burning, we see the snowbound road on which Napoleon retreats. We see the battlefield, the countryside, the interior of a cathedral, a troubled sky, a palace, a hospital, a farm. There are 35 scenes altogether and between the backcloth and the strategic alterations of the scenery on the stage it is all carried through without a pause. There are nearly 100 speaking parts and also innumerable sound and musical effects but the whole thing goes like a combined operation.

It opens up a new vista for Shakespeare's plays. In fact it is the beginning of an attempt to break down the limitations of the stage and achieve something of the freedom of the cinema.

* * *

The sun has stopped shining. The weather has broken and fitful clouds race across the sky.

The English are no longer depressed.

* * *

Quebec Query

On every station platform the people read the soul-searching query: "Is your journey really necessary?" They are muttering these words now in the general direction of the Prime Minister, who is away in Quebec. The Englishman knows that ours is to some extent a one-man government, inasmuch as Churchill is not only the Prime Minister but the boss. Never the less we like our Prime Minister and our King to stay at home as much as possible. Besides the Englishman's instinct tells him that a conference without the Russians being present can only achieve a limited degree of decision.

* * *

Man of the Future

Mr. William Mabane, the Parliamentary secretary to the Ministry of Food is about to leave for Canada. I have just given him a letter to "Jack" McConnell of the Montreal Star. Mr. McConnell is regarded here as the unofficial Canadian host to all peregrinating British politicians. That is the worst of being kindly and charming.

Mabane is a man of the future. As his chief, Lord Woolton, is in the Lords, Mabane has had to answer for the department in the Commons. He has been an outstanding success.

He ran for Cambridge in his student days and was a fast miler. This has left him with a rather lean and hungry look, but that is all to the good since no one could think that his rations are any more than those supplied to the rest of us.

He has another valuable asset. He sinks himself absolutely in whatever task he undertakes. As assistant Postmaster-General in the early days of the war, he felt that the battle would be won or lost by communications. Later as Undersecretary to the Home Office the question of strategy centred on the single issue of "Should air raid shelters be deep?" Now he thinks of nothing but food—that is, food for the nation.

He is an extraordinarily bad bridge player, a lover of the theatre, a good musician and an old-fashioned friend. Once he gives his friendship he would go to jail for it.

(I hasten to add that so far he has not been required to do so.)

"Me for Player's"

Player's Please

MEDIUM OR MILD

"IT'S THE TOBACCO THAT COUNTS"

PLAYER'S NAVY CUT CIGARETTES

Ogoki Project Now Opened

Recent official opening of the Ogoki diversion saw completion of the five-million-dollar undertaking of the Hydro-Electric Power Commission of Ontario begun in Dec., 1940. The ceremony was observed at the control dam which spans the channel cut through the height of land between the James Bay and St. Lawrence watersheds. The project "detours" a great body of water—part of the Ogoki River—which formerly flowed into the Albany River and James Bay in a northeasterly direction.

Changing the water level contours within a 300-mile area in this remote section of northern Ontario, the diverted water is now following a southeasterly course, covering a distance of approximately 2,000 miles from Waboose Rapids to the shores of the Atlantic, flowing through rippling chains of creeks, rivers and lakes including Lake Nipigon, the Nipigon River, the Great Lakes and the St. Lawrence.

The Ogoki water and the flow from the Long Lac diversion unite in Lake Superior. These two diversions, whose combined flow averages 5,000 c.f.s., make possible the development of 360,000 additional horsepower at developed and undeveloped sites between Lake Nipigon and mouth of the St. Lawrence.

Over a period of time this diverted water will raise the levels of the lower Great Lakes about 2¾ in. and thus benefit navigation, as capacity of lake freighters, which is determined by the depth of shallow channels, will thereby be increased.

Present at the opening ceremony were Otto Holden, chief hydraulic engineer of the HEPC who smashed a bottle containing water from the Niagara River against an 1,800-lb. log raised from the sluiceways; W. B. Crombie, general superintendent of the project; David Forgan, construction engineer, HEPC; J. A. Brodie, chief of the Forest Protection Division; and Peter Addison, district forester, Port Arthur.

Donalda Mines plans to undertake a development program shortly on its property of 24 claims adjoining Noranda Mines to the northeast, it is reported. A geophysical survey is to be carried out, followed by diamond drilling. The Horne Creek fault is reported to cross the property.

Norseman Mines is completing a geographical survey of its Quebec properties which total 2,600 acres. On the company's "A" group, a mineralized zone approximately 1,400 ft. in length and averaging about 150 ft. in width is reported.

Veterans to Get Better Break

All Service Men Eligible for Vocational Training

As the only guarantee for ultimate preference in employment for a veteran is possession of a permanent skill, already the government of the Dominion of Canada has planned for and is setting up the assembly line whereby men serving in the Forces may move through vocational guidance for training in suitable postwar employment. This was the statement of J. W. Jamieson, superintendent of Educational Training, Department of Pensions and National Health, speaking at the recent conference of the Canadian Institute on Public Affairs. Object of government rehabilitation schemes in 1943 is to provide opportunity for men to make their living not by getting on someone else's payroll, but by creating payrolls of their own.

Education Level Higher

In the last war a large percentage of the Canadian forces were immigrants. This time, the men are in the main products of Canadian schools. Level of basic education is considerably higher. Range of skills and occupations are more varied, and the average age lower. Training in the highly mechanized forces is more technical, and many will have acquired new skills. In many cases a brief period of training will adapt these service techniques to civilian practice.

Armed Services School Score

	1943	1918
	%	%
Elementary	40	84
High or Technical ..	47	84
University	3	1½

Following the Great War, pointed out Mr. Jamieson, vocational training was given to those whose ability prevented their following their previous occupation and to those who joined the Army too young to have learned a trade. Less than 8% completed vocational training after the last war.

Maintenance Grant

In marked contrast, this time the department has authority to grant training to any discharged person provided he has the aptitude and inclination, and to pay a maintenance grant—together with appropriate allowances for dependents, if any.

This time there is no stipulation that the man must have been wounded, a pensioner or have joined the Army under age before securing vocational training.

Today vocational training will be governed by length of a man's service in the forces, with a maximum of twelve months, and such training must be completed within 18 months of date of discharge.

It is hoped, said Mr. Jamieson, that the greater part of this training may be acquired on the job. Training facilities, already existing in technical and vocational schools, will be utilized fully, as will the War Emergency Centres which turn out skilled workers for Canadian war industries.

Provision by the government for professional training, remarked Mr. Jamieson, allows a grant to a discharged person who has been regularly admitted to a university before his discharge, and resumes within one year and three months after discharge a course, academic or professional, interrupted by his service, or becomes regularly admitted to a university and commences any such course within one year and three months after his discharge.

There is likewise provision for postgraduate training if it is deemed advisable.

No 12-month Maximum

Opportunity for university training will be governed by length of service, but with no **12-month maximum.** Where progress is satisfactory, the assistance may be continued for as many months as the man served in the forces. There is no provision for repeating a year's work at university.

A young man who has served at least two years—24 months—and who has completed entrance requirements to a particular university, may be assisted for three academic years—24 months—in university, and if his university career shows great promise he can be carried through to graduation. Where special scholarship is demonstrated, the soldier may be assisted to a postgraduate degree. In addition to his maintenance grant of $10.20 per week if single and $14.40 if married, his tuition, student and athletic fees may be paid.

$7.9 Millions Drop In Construction

Award of a Dominion Government contract at $6.5 millions for airport construction and extension at Edmonton and Namao, Alta., brought the West's August construction total strongly out of unfavorable position relative to Aug., 1942, according to compilations by MacLean Building Reports Ltd.

Awards in August throughout Canada totalled about $23.9 millions as against $31.8 millions in Aug., 1942. Eight-month total stands at $142 millions against just under $200 millions for the comparable period last year. Schools and hospitals continue to be much in evidence after relative absence throughout most of last year.

Despite continuance of large expenditures on construction in the U. S. Army's Canadian spheres of influence, government construction in Canada is falling off rapidly. It is being suggested more and more frequently that justifiable private building should be permitted in sufficient volume to sustain the industry and preserve its powers for its postwar task.

COSTLY delays — upset plans — tangled production schedules. And all because of roof trouble that could have been so easily prevented.

Years of experience in roof specifications and supervision have convinced us that Coal Tar Pitch as a roofing material is unexcelled in its ability to stand up to the severe wear and weather of Canada's climate. A Murray "Registered Roof" of Built-up Pitch and Gravel is planned and built with Murray approved materials under careful Murray supervision. Every step in its application is carried through according to tested, time-proved recommendations. And, when the job is completed, the "pedigree" of the roof — the complete case history from start to finish — is placed in the Murray permanent file, for inspection service reference.

Telephone or write our nearest office for an inspector to come and appraise the condition of your roof. He'll submit a written report. You'll incur no obligation.

43-3

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Canada's Largest Manufacturer of Pitch and Creosote.

THE FINANCIAL
POST
Canada's Foremost Business Newspaper
Toronto, September 4, 1943

Montreal Subways A Postwar Project

See Construction Jobs for Thousands if Rapid Transit Program Proposed for Postwar Is Put Into Effect—Mountains In Centre of City Complicate $65 Millions Undertaking

First broached in 1929, Montreal's $65 millions subway scheme is now being restudied as a potential postwar project. Heavy traffic growth in the last 15 years and Montreal's unusual layout with two mountains in its centre, combine to produce a most difficult transport problem.

By JOHN LANGDON

Dormant for 15 years, Montreal Tramways Co.'s suggestion of subways or grade separations for the Montreal area is being considered as a possible major construction job for the postwar period.

Little imagination is required to visualize what such a project would mean in the way of labor and supplies. Thousands would be employed for several years on actual construction. Still more thousands would be needed in plants to provide the necessary steel, concrete, lumber, electrical wiring, new rolling stock and ancillary equipment.

Back in 1929 the company advanced the plea that Montreal needed subways to eliminate traffic congestion. At that time it estimated the cost of 8 miles of subway at $65 millions.

In those days $65 millions was a lot of money. The country was on the crest of a boom. There was little or no unemployment. More and more people were riding in automobiles. Interest in the subway scheme was negligible and the proposal was pigeonholed.

Today the situation has changed. Postwar rehabilitation is uppermost in the minds of most people. With Federal budgets of $5 billions, $65 millions does not strike the public as an extraordinarily large sum to spend if it will bring widespread employment of Canadian labor and material in the after-war rehabilitation period.

Moreover, as Montreal continues to grow, some means must be devised to provide a means of rapid transit for 80% of the city's population which, in peacetime, depends upon the tramways to get them to and from their work.

Revive Old Proposal

The Joint Committee on Plans for Postwar Development has sought the company's co-operation in a study of postwar measures for the relief of traffic congestion in large centres of population. Accordingly the 1929 scheme has been taken out of the pigeonhole, dusted off and restudied in the light of developments in the past decade and a half.

Montreal is the largest city in Canada. Taking in the metropolitan area, it is the most densely populated section in the Dominion, with over 1¼ millions people.

Because of its peculiar geographic layout, traffic congestion is a perennial problem in Montreal. In the centre of the city are two mountains —Mount Royal and Westmount—the pride and joy of Montrealers. Over the years the city and suburbs have spread, until now they entirely surround the two mountains.

Then, too, new industrial plants have had to go farther out to get sufficient land for their purposes. The Dorval airport, one of the largest in the world, lies west of this new district. The new aircraft plants and several other major industries have found their way over the mountain in the last few years.

All this has intensified the urban traffic problem for the opening of these new areas has been accompanied by a continued growth in the older section of the city, where the shopping and business districts are located, and apartments and flats which dominate in the residential area.

This expansion of area and growth in population of greater Montreal has been accompanied by a greatly extended use of the trams, especially in Notre Dame de Grace, Verdun, Montreal West, Snowden, Mount Royal, Model City, etc.

To Exceed Railway Traffic

Number of passengers carried on the trams has increased from 191.9 millions in 1920 to an estimated 350 millions this year.

More than one million people a day board and leave the tramways service.

The system moves more than eight times the number of people, each year, as that carried by the whole railway system of Canada.

Two Solutions Open

Rapid transit is recognized as a first fundamental in the growth of a city. The problem may be met in two ways—

1. By important expropriations, which will provide additional streets, or widening of existing streets, to carry the traffic, not only of tramways, but also vehicular and pedestrian traffic.

2. By placing a portion of the traffic underground, thereby releasing the streets for the balance of the traffic or, in other words, building subways.

Additional streets will not completely solve the problem unless at the same time grade separation is provided at the junction of the principal arteries.

Factors to Consider

Montreal Tramways is approaching the problem from two angles—the need for such a project and what contribution it would make to postwar rehabilitation.

A new study of traffic flow is necessary. This is especially difficult in wartime. War plants erected on the outskirts of Montreal employ thousands of workers, drawn from all parts of the city. This creates present-day bottlenecks which may disappear after the war.

Greater use of tram services also reflects tightening restrictions on the use of gasoline and rubber, forcing many motorists to use the trams. After the war this type of passenger may, and probably will, revert to the automobile for daily transport.

Home-owners have built in areas which were of no consequence traffic-wise 15 years ago. Shopping areas have moved. All these are problems which must be studied.

If a subway is planned, then consideration will have to be given to damage to adjacent property.

It will have to be determined what proportion of materials are produced in Canada.

What changes in equipment will be necessary? How much of this can be made here?

Call on New York?

What technical skill is available? The building of deep subways calls for a highly specialized type of worker. Philadelphia had to import "sand-hogs" from New York when it built a subway; Montreal might have to do likewise.

How many Canadians can be employed on the undertaking?

A grade separation or shallow subway system represents an entirely different undertaking. There would be no equipment problem, present rolling stock could be employed. Ordinary sources of labor and technical skill could be employed.

What plan may be recommended by the company to the joint committee naturally will depend upon the present study of conditions which have developed and are in prospect compared with those prevailing in 1929.

What was then proposed may serve as a guide to the outcome of the present investigation. At that time the company suggested the building of—

1. A north to south subway, running from Craig Street terminal to Laurier Avenue, with approaches from the latter station providing transfer under cover from the subway station to the car lines—a distance of 2.35 miles. This would be located between Bleury and St. Lawrence streets.

2. Erection of an east-west subway, running from Atwater Ave. to Parthenais St.—a distance of 4.13 miles, located between Sherbrooke and Dorchester streets.

3. A connection from the Craig Street terminal to the east-west line near Stanley Street, with a station at Dominion Square so designed as to give direct access to the CNR and CPR stations, a distance of 1.40 miles.

Needs Some Thought

The spending of large sums of money after the war on new undertakings should result in productive works, or be of benefit to the majority of people.

Spending $65 millions or more on a subway is vastly different from spending money for additions to a manufacturing or retail business. The erection of subways or grade separations for that matter does not necessarily create more traffic, it simply means the transference of passengers from street cars and buses to subway trains. Additional revenue will result only from the increased number of passengers which the system as a whole will carry as the population grows.

The cost of a subway to Montreal would involve an outlay greater than the entire capital now invested in Montreal Tramway Co.'s surface transportation system.

It is capital outlay which could not be undertaken privately, Tramway officials claim.

Montreal Tramways suggested in 1929 that the cost of a subway should be split three ways; a share paid by the users of the service; a share from the general revenues of the city; and a share by the property owners adjacent to the sub. ways.

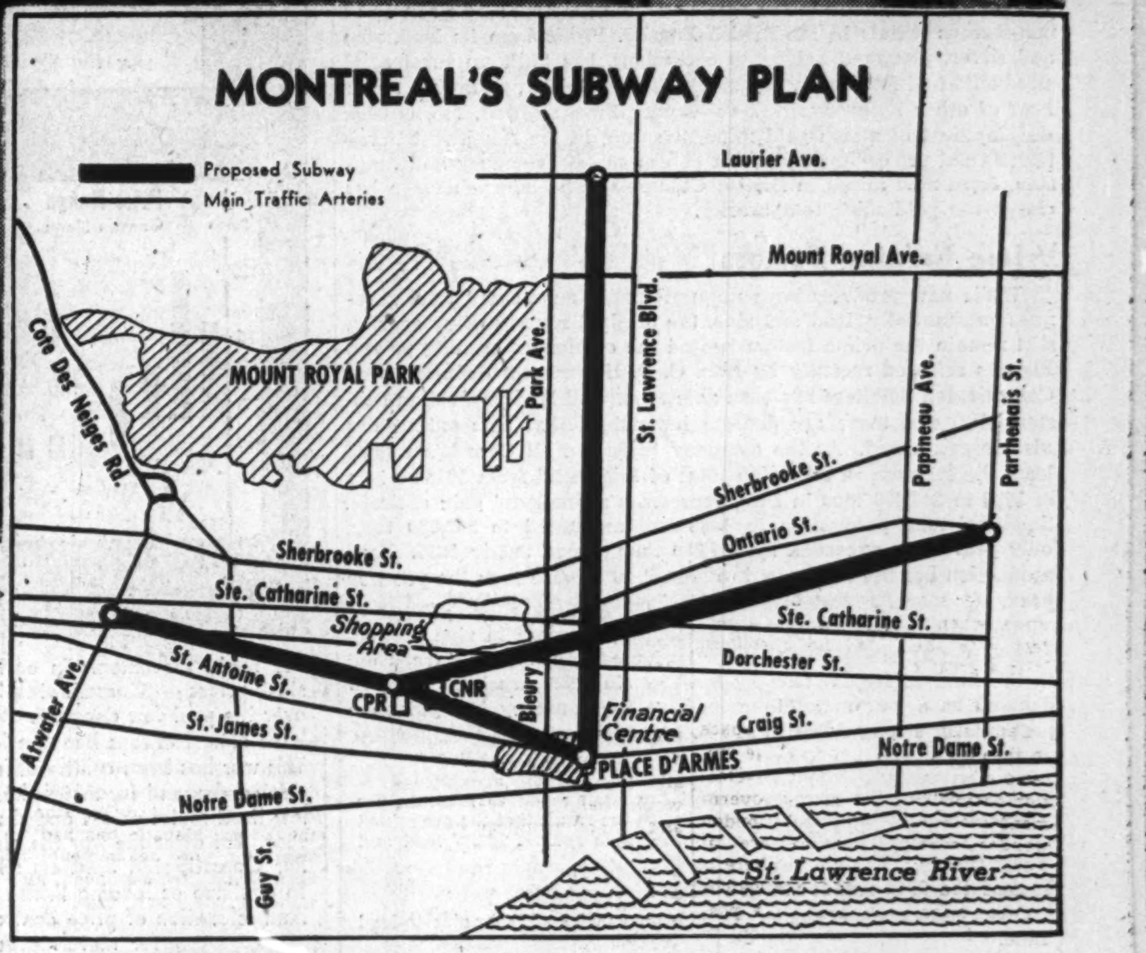
It was contended that the user should pay 60% of the cost, leaving a balance of 40% to be paid by the adjacent property owner and the general revenues of the city.

The interest and sinking fund on the debt created to build the subway under the 1929 proposal is placed at $3.5 millions annually. This amount would be apportioned as follows: users of service, $2 millions; assessment on adjacent property owners, $750,000 and general revenues of the city $750,000.

At this time the question of cost, how the money is to be raised, and who will pay interest charges and sinking fund on the debt, is not of paramount importance.

The important fact is whether or not Montreal needs a subway and will such an undertaking further postwar rehabilitation plans.

That is the angle from which the company is reconsidering the whole matter and on which it hopes to be able to report a definite and detailed plan by the end of this year or early in 1944.



"Traffic congestion is a perennial problem in Montreal . . ." Postwar planners urge a three-directional subway like this to provide rapid transit for the city's 1¼ million population, 80% of whom now depend on trams to get them to and from work.

Chemurgy at Work

Will Alcohol End Wheat Troubles?

New Industrial Process May Open Huge New Market for Grain

Glimpse of a new farm market has been caught in the sudden light of a sulphite method for manufacturing alcohol from wheat.

Today grain is distinctly in review as an industrial raw material capable of wider use in alcohol, rubber, plastics, adhesives, paint, paper. Its immediate use, however, may be lessened by disappearing surpluses of grains.

By CLIVE H. CHATTOE

A year ago there wasn't much likelihood that an ever-increasing volume of grain would be consumed for industrial purposes beyond the war period.

Developments in recent months, however, are changing the picture, and promised further progress may bring about wholesale reconsideration of industry's stake in Canada's 20 to 25 million acre wheat belt.

A year ago researchers, like the Willkies (Herman and Robert) of the Seagram organization, were looking at farm products as a source of farm-produced farm motor fuel, and this with somewhat more interest than that with which they appeared to be regarding grain as a big-industry raw material.

Burst of Progress

Rewards of research grow richer monthly now instead of by years and decades, and the cautious man of science has adopted an unguarded "anything can happen" as his motto of the hour.

Concept of protein extraction from grain, for example, has won a horizon at a leap, bringing into view another more attractive than the first.

A new-found sulphite method of making alcohol from wheat poses stimulating questions and even answers a few.

Because of it, interest in by-product livestock feed has lessened, with the focus instead on new opportunities in grain protein for human feeding and the plastics, adhesives, paint and paper of ravenous industry.

The sulphite protein extraction process offers to make available ample supplies for a market awaiting creation by the food scientist, pharmaceutical technician and commercial packaging expert.

If the process makes good its promise, and if marketing genius is equal to its own part, human stomachs and the treasuries of alcohol industry alike will be richly nourished.

Ethyl the Great

Chemical range of alcohol varieties is great, including methyl or wood alcohol, amyl, butyl and propyl alcohols, glycol, glycerine, etc. Most important industrially and commercially, however, is the ethyl alcohol variously called "industrial" and "high proof." Used in beverages this type of alcohol is perhaps known to many. Its adaptations by modern industry in other fields is less well understood.

Obtained from three main source materials—carbohydrate or starch crops, such as grain, potatoes, sugar beets, the blackstrap molasses of cane sugar, and petroleum — ethyl alcohol is the common base of smokeless powder, anti-freeze, ether, is one of the basic substances upon which the entire organic chemical industry is based. It has increasing use in plastics, varnishes and lacquers, industrial adhesives, solvents, besides many special wartime functions.

Wheat Source Costly

Normally made from imported blackstrap molasses and priced at 25-27c. gal. because of cheapness alike of that raw product and cost of its conversion, Canadian ethyl or industrial alcohol now is produced almost entirely from wheat and is priced at the distillery at 72-78c. gal., or roughly three times the prewar selling price.

Estimated 1943 production is 14 million gals., derived from about 7 million bu. No. 3 Northern wheat, current market price of which is about 80c. bu.

Cost of conversion is put by some at 10-12c. gal., and by others at 15-17c. with a bushel of wheat usually yielding two gallons of alcohol so that production cost runs somewhere between 50c. and 60c. gal. If industrial alcohol is produced from whisky distilleries the cost of production may range over 80c. gal.

Hon. C. D. Howe, during the last session of the House, in discussing the Dominion's petroleum synthetic rubber plant, said that wheat could be used for manufacture of rubber and other industrial substances, but to be used in competition with other available materials wheat would have to be sold at 25-30c. bu.

So far as rubber alone is concerned, if all Canadian rubber requirements were made from a wheat base no more than 15 million bu. of Canada's 800 million bu. wheat in storage would be consumed, it has been estimated and, of course, the prospect for wheat's continued use for alcohol is impaired by the continued high cost, by newly developed sources like wood pulp and by imminence of the return to the market of molasses.

N.R.C. Not Enthusiastic

The National Research Council's report to the House on July 15 was not enthusiastic about wheat as an industrial raw material. Increased yields per bushel of grain could not be expected but improvement in manufacturing technique might slightly reduce conversion cost. When wheat is sold at 90c. bu., the manufacturing cost of alcohol from wheat would not be less than 62c. gal., but recovery and sale of the feed portion might reduce this cost by 5c. gal., the report said, adding that other chemicals more valuable than alcohol could be produced from wheat by fermentation processes, and referring particularly to butylene glycol, a chemical that can be more advantageously converted to butadiene (for synthetic rubber) than can alcohol, and that has wide possibilities in solvents, plastics, pharmaceuticals and anti-freeze.

"Wheat is a costly raw material for industrial use and is only practicable when cheaper raw materials are unavailable or specialized products which command premium prices can be made from it," the NRC report said. "It is not possible at this stage to make any exact computation of the quantity of wheat or any other raw material which would be required if used exclusively for production of the entire Canadian requirements of industrial substances but it is quite clear that the maximum quantity of wheat which might be so used would make only a very small contribution to the solution of the wheat surplus problem."

New Process

As against this view, however, there is that of Phillip H. Groggins, chief of the chemical division of the U. S. War Food Administration who, speaking of the Balls-Tucker sulphite method of producing alcohol from wheat, recently told the U. S. Senate's Gillette committee that importance of the discovery could not be overemphasized. He expressed belief the process has "unlimited possibilities" that may mean "profound changes" not only in the production of alcohol but also in development of a permanent industry based on agricultural raw material.

Full possibilities of industrial uses of the proteins, which Groggins said transcends the value of feed, are now being investigated by the Agricultural Research Administration.

Actually, it is reported, the sulphite process slightly increases wheat's yield of alcohol and substantially decreases conversion cost, but its main virtue is in that it increases recovery of proteins from the present 40 per cent of potential to more than 70 per cent and moreover gives a protein yield of higher grade, so that, in increased yield (almost double normal) and improved quality,

(Continued on page 19)

A Major Farm Problem

Quality Bacon Lowered to Meet British Quota

The most important single issue in Canadian agriculture is the serious threat to the British market for Canadian bacon that lies in the past year's policy, based upon necessity, of increasing the weight of bacon hogs, and thus relaxing the high standard of quality that has been built up by the joint efforts of farmers, packers and agricultural authorities in the past. This is stated by Canada Packers in its annual report.

In Great Britain, which is the principal market for Canadian bacon, Canadian producers have always been faced with competition from the Danish "Wiltshire sides," which held a preferred position in the British market, it is claimed. Development of a light, lean bacon has, therefore, been under way in Canada for some years and a marked degree of success achieved, although at the time when all supplies of Danish bacon were cut off, the Canadian product still sold at eight shillings a cwt. below the Danish. With continued improvement in the Canadian hog, and being in a temporary position of sole supplier, Canada bacon was becoming widely accepted as equal in quality to the Danish type.

In an attempt to fill the desired quota of 675 million lbs. of bacon to Britain, however, and at the urgent request of the British Ministry of food, farmers have begun to finish hogs to a greater weight. This was only done after serious consideration by the Canadian authorities. The result has been twofold. First, a decline in the prestige of Canadian bacon in the eyes of the British consumer, and a breaking down of the long process of encouraging the Canadian farmer to produce hogs in strict conformity with standards set up by the government. These standards have been designed with the object of supplying the British consumer with the kind of bacon he desired, exemplified by the Danish product. It involved careful feeding and selection, and slaughter of the hogs at a weight of about 200 lbs.

In spite of a reduction in hog slaughterings at inspected establishments, from 6,467,185 between Sept., 1941 and Aug., 1942, to 6,457,-635 during the past "hog crop year," the weight of meat produced increased by 5.5%.

Record deliveries of hogs are expected this fall which may make possible an early return to former high standards. The report states that these should "make possible an early return to the standards already reached in the spring of 1942, and thereafter a sustained campaign for further improvement."

Canada Packers estimate the loss to Canadian farmers, if the price differential of eight shillings a cwt. between Canadian and Danish bacon should be re-established, will amount to $27 million monthly. This calculation is based on a total production of 9 million hogs, comprising both inspected and uninspected slaughterings, at a price differential of $3 a hog.

The process of developing a desirable hog type has taken many years. Farmers had to be sold on the idea of adapting their production to the needs of the British market, and to embark on a long process of selection to build up stocks of specially bred hogs.

The product of these efforts, therefore, is now endangered by the food shortage and by necessity of sacrificing quality to quantity.

Investing For Tomorrow Article No. 9

Smelters—Lusty Giant For a New World

Sullivan Mine Still Tops as Low Cost Producer on Both Lead and Zinc Fronts

By GORDON M. GRANT

Back in the early part of this century, discovery of a new method of extracting minerals from ore, known as selective flotation, marked a veritable revolution in mining practice. It allowed economic extraction of metals from many ores which had previously been regarded as problem children; ores which, due to their complexity, didn't want to give up their mineral wealth using previously known methods.

In no country of the world has that discovery proved of greater significance than in Canada. And for no company has the discovery proved of greater significance than to Consolidated Mining & Smelting Co.

To Smelters it finally meant the attainment of a goal of first importance—the unlocking efficiently of the almost phenomenal lead-zinc riches of the huge Sullivan Mine, 2½ miles north of Kimberley, B.C., in the Fort Steele mining division. It was not until about 1923 that the company's engineers were able to adapt the process to Sullivan ores in actual practice, but the increase in production thereafter was most marked.

Despite tremendous demands of peace and war since and the taking out of many millions of tons of ore, Sullivan still ranks as the largest lead-zinc mine in the world and the greatest single source of non-ferrous metals in the British Empire. Profit from its lead, zinc and silver, ploughed back into operations, has built up substantial production of fertilizers, chemicals, tin, antimony, cadmium and a host of other by-products. Its revenues have allowed, too, outside development of a rich gold mine, the Con, in the Northwest Territories—and profitable production of war metals, mercury and tungsten, from new mines in British Columbia. The labor shortage has closed the gold mine temporarily.

Prime Earning Factors

While new products have unquestionably augmented total revenues substantially, lead and zinc, the original sources of prosperity, still remain the prime factors behind the companys' earning power. Figures released recently by Hon. C. D. Howe show definitely that Consolidated Smelters has been able to expand lead production substantially, and there are definite indications that zinc output has also forged ahead. As the company turns out all Canada's refined lead, the increase in Canadian total of this metal from 191,000 tons in 1939 to 243,800 tons in 1943, represents a Smelters' gain entirely. Smelters' lead production in 1938 had amounted to 202,000 tons, only previously exceeded by 207,000 tons turned out in 1937. Lead production has been increased to almost 20% more than the pre-war peak.

Indications suggest that the percentage increase in zinc production is almost as great as that for lead production. Zinc, turned out to the tune of 149,000 tons by Smelters in 1938, has been more in demand as a war metal than lead, so the company has put on a particularly strong drive to get it.

Of this situation the 1941 annual report declares:

"Throughout the year an attempt has been made to increase the zinc-to-lead ratio in the ore extracted, with the result that the ore mined in 1941 contained 10.07% lead and 7.24% zinc against 10.2% lead and 6.59% zinc in 1940."

And the 1942 report stated further:

"The grade of ore mined was slightly lower with a higher zinc-to-lead ratio."

Both these statements are indicative of a relatively higher zinc production.

If the increase in the zinc-to-lead ratio of ore mined in 1942 can be assumed to approximately "cancel out" the slightly lower extraction of zinc compared to lead, a zinc output in the neighborhood of 175,000 tons can be conjectured for 1942, using the grades of ore given in 1941. This would represent an increase of about 17% over the pre-war peak output for zinc of 149,000 tons.

Record production of lead and zinc might ordinarily be expected to be reflected in record profits. That this has not been true can be attributed to the action of Smelters' management in contracting to sell the bulk of its output to the U. K. and Canadian Governments at the low quotations existing immediately prior to the war; and to Canada's imposition of much higher taxation rates including a 100% E.P. Tax (with 20% postwar refund).

Higher Taxes and Cost

Under the stimulus of 5.2c a pound for lead and 5c a pound for zinc on the London market in 1937, Consolidated Smelters had shown earnings of $4.50 a share. In 1942, however, with a much larger output, but a U. K. contract price of only 3.04c a pound for lead and 3.60c a pound for zinc, earnings were equal to only $3.72 a share after meeting higher taxes and possibly higher costs.

President S. G. Blaylock is authority for the statement that the U. K. Smelters contracts mean a saving to Great Britain of $22 millions a year based on current U. S. St. Louis prices of 6.5c a pound for lead and 9.25c a pound for high grade zinc. If the company had been receiving the U. S. prices for its entire 1942 output of lead and zinc—and over-all 1942 earnings had been taxed at the pre-war rate—Consolidated Smelters would have shown earnings of $10 a share or better, instead of an actual $3.72.

Before the war the relation between metal prices and earnings was quite marked as shown on the accompanying chart for the period 1935-1938. For decades this relationship held true. One can imagine what prices of 12 cents a pound for lead and 45 cents a pound for high grade zinc meant in the last war. But the relationship has been not so evident this war with bulk of output sold at low fixed prices. When the forces of supply and demand are allowed freer play again after the war, the old relationship is expected again to be in evidence.

Postwar Appraisal

It is difficult to predict just what part Consolidated Smelters will play in Canada's postwar economy. But the factors which will likely be significant can be fairly well isolated, and considerable information is available to allow the importance of these factors in the postwar economy to be assessed.

Briefly, the more important factors appear to be:

1. The extent to which the company can enter the postwar period with ore resources unimpaired at the main Sullivan mine.
2. The ability of the company to continue turning out metals at relatively low cost.
3. Availability of markets for the company's output after the war at prices which will allow satisfactory returns.
4. The degree to which the company is successful in realizing additional revenue from fertilizers, chemicals, gold, mercury, etc., after the war.
5. The extent to which success attends postwar projects of which the company has already a considerable number in mind.
6. The extent to which taxation may be relaxed, encouraging the expansion of mining activities generally.

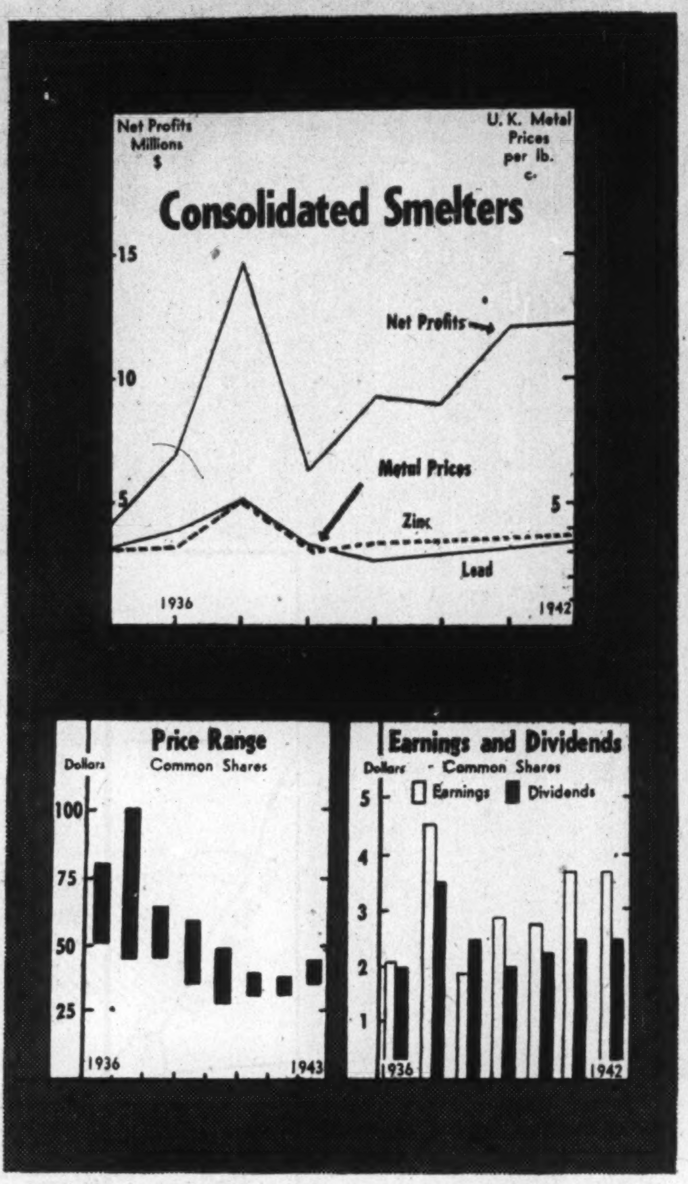
There appear to be some grounds for optimism on each of these points as the following survey shows:

Sullivan Ore Resources

If any indication were needed that the Sullivan mine is not approaching the day when depletion of ore resources might be expected, the present unprecedented level of production would provide it. But there has been no hint that would suggest resources have been seriously impaired despite many years of production. In April, 1940, it was stated that the Sullivan mine had well over 20 years' positive and probable ore in reserve. No statement so explicit has been made since but in the 1940 and 1941 annual reports it was declared for each year:

"Ore development has kept ahead of production."

In the 1942 report under date of April 12, 1943, the strong ore reserve position and general condition of the mine was confirmed by President Blaylock, who mentioned especially satisfactory showings on the east side of the mine.



For rapid movements in earnings — and sharp movements in stock prices — Consolidated Smelters has had few, if any peers, over the past few decades. Periods of active demand for metals have almost always been periods of prosperity for the company. This war has been a little different, however, in that an unprecedented demand for metals has not meant unprecedented profits; low fixed metal prices and sharply higher tax rates have seen to that. But after the war the old relationship may hold true again. For Consolidated Smelters still has the ore in its Sullivan Mine to continue as leading British Empire producer of lead and zinc. And relaxation of price control may mean a more normal return for metals produced at that time.

The indication of good grade ore east of the fault may prove of particular significance, as ore east of the fault proved to be lower grade on the upper levels. The indicated new ore runs better than mine average. Big mines have a happy habit of proving their longevity and if there is over 20 years' ore in the positive and probable categories on hand today at Sullivan, an over-all future mine "life expectancy" of 40 years would not seem to be out of the way. Other properties will undoubtedly be sought to replace the Sullivan when this eventually becomes necessary.

The Sullivan mine appears to have been handled well to date; there have been no stories of serious rock blasts or any signs that development has not been kept well in hand.

Position on Low Costs

Consolidated Smelters enjoyed a reputation as one of the lowest cost producers of lead and zinc in the world before the war. Costs for these metals, including writeoffs and taxes, ran between 2 and 2½ cents a pound back in the years 1938 and 1939, it appears. While production costs of lead and zinc had shown a wartime increase of 15% to the end of 1942, this increase was less than a 23% rise for wages. Several possibilities suggest themselves as to why the increase in costs has not equalled the rise in wages:

A higher than average grade of ore may have been mined in wartime in order to secure maximum output.

Some of the companys' costs, such as that for electric power from its own plants, may have tended to remain fixed unlike wages.

Development work and maintenance may have been curtailed due to a shortage of manpower, appearing to reduce costs.

The second of these appears the most logical explanation as to why the increase in costs has been only 15%. Mining costs were higher in 1942 due to preparations for filling old stopes and drawing of ore from lower levels.

It is apparent that Consolidated Smelters still retains its position as a low cost producer of metals. It is also true that costs may tend to increase as a higher proportion of ore is drawn from lower levels. But changes in costs have only been narrow in the past and there appears to be no indication of any marked uptrend now. Any inflation outside the mine, of course, should be offset by increases in metal prices.

Markets for Metals

Consolidated Smelters has much less to fear from a fall in base metal world prices after the war than most other producers. In the first place the U. K. contract figure is far below world levels so that a severe deflation of metal prices would not necessarily affect Smelters at all after the war. Its metal prices might even go higher when controls go. In the United States lead is quoted today at nearly twice Smelters' U. K. price while high grade lead, at 9.25 cents, is almost three times the U. K. price.

U. S. prices rather than the U. K. prices are likely to come down after the war. If the principles of the Atlantic Charter in respect to low tariffs are adhered to, the United States may form the natural outlet for much of Consolidated Smelters' output after the war.

Evaluating the supply and demand situation for lead and zinc after the war is difficult at this time. But there are indications that the two metals will be in a much better statistical position than say copper which is expected to take the brunt of the competition of the lighter metals. Light metals will be competitors but they lack many of the unique qualities which make lead and zinc sought after. President Blaylock has already announced that working capital position has been built up because "some disorganization of markets" must be prepared for after the war.

Cessation of hostilities will probably find considerable stocks of both lead and zinc on hand and a big flow of secondary metal as munitions are scrapped. Offsetting this, however, will be a great demand for metals in reconstruction, it is expected. If postwar plans swing into operation quickly, no surplus of metals may become noticeable.

Over the longer period, the growing scarcity of rich lead and zinc deposits may tend to place the metals in a higher price cycle unless metallurgy can adapt aluminum and magnesium—still much more expensive metals—to take their place.

Zinc is becoming particularly scarce and only payment of high bonus prices has served to expand output of this metal needed for shell case brass. The great Tri-State deposits in the United States are reporting nearing the exhaustion stage and no new deposits of major dimensions have been reported to take their place.

Despite the war's demand for metals, no new lead deposits of importance have been turned up in Canada. The story throughout the world at large is not much different. Bulk of the wet cell battery material is coming from the same mines it did before the war; many mines are getting depleted a bit and costs are probably going up, taking the situation as a whole.

Demand for both lead and zinc has shown sharp—and parallel—expansions and contractions in the past. This will probably continue in the future. But the demand for these metals, on the whole, may prove fairly satisfactory.

Revenue From Other Products

An outstanding feature of Consolidated Smelters' war effort has been the companys' undertaking to erect and operate a number of plants for the Government at no profit. These plants after the war, it is understood, can be used for turning out of chemicals used in the manufacture of fertilizer. A considerable expansion of fertilizer production may prove possible. It appears likely the company will have the opportunity to purchase the plants from the Government if it so desires.

But fertilizers are only one line in which increased peacetime revenue can be expected. Profitable gold production was established in the Northwest Territories before the war. From information available. Consolidated Smelters may emerge with three or four profitable producers.

Smelters' mercury mine in British Columbia has now a capacity of over 20 times its initial milling rate. It is impossible to say what mercury prices may be after the war, or what profits will be realized, but it appears that this great producer will likely continue to operate. Tin and tungsten may continue in the company's list of mineral products after the war.

Increases in productive capacity at Trail, to allow the turning out of greater quantities of lead and zinc, naturally mean a greater output of by-products when these can be economically recovered.

Success in Postwar Projects

Magnesium, steel and aluminum have all been considered by Consolidated Smelters in its postwar planning. Naturally no final decisions on new projects are likely to be announced at this time—or until the character of the postwar economy can be seen more clearly. But the Smelters' management is leaving no stone unturned in its effort to be ready with the right metals at the right time. Building up of working capital from $7 millions at the end of 1938 to $28 millions at the end of 1942 means the resources are available for undertaking new projects as these may be indicated as desirable.

The Tax Situation

Taxes weigh particularly heavy on mining companies like Consolidated Smelters which derive their incomes from the using up of wasting assets. President S. G. Blaylock and other leading mining executives have drawn attention to this situation and spokesmen at Ottawa have stated their readiness to hear proposals for the revamping of tax laws, opening the way for a lightening of the burden of tax which has been literally grinding the life out of some mining companies. Easing of the tax load may allow a more feasible approach to the question of postwar planning.

The postwar world will unquestionably pose many uncertainties for Consolidated Smelters. It is impossible to indicate them all. But the company seems to have the recipe and ingredients for success—adequate ore resources; low costs; a reasonable expectation of satisfactory markets; an engineering staff of proved ability; and new "irons in the fire" of potential worth.

Consolidated Balance Sheet of

CANADA PACKERS LIMITED

(Incorporated under the Dominion Companies Act)

AND ITS SUBSIDIARIES

As at 25th March, 1943

ASSETS

Cash on hand		$ 29,294.90	
Accounts receivable, less reserves:			
Usual Trade Accounts	$5,643,543.31		
Government Accounts	5,922,738.33		
		11,566,281.64	
Inventories of Products, Materials and Supplies on hand, on consignment and in transit—as determined and certified by the management and valued at the lower of cost or market, after deduction of inventory reserves		10,757,943.20	
Life Insurance (cash surrender value)		481,898.00	
Investment in Bonds and Shares at book value which is less than market value		136,286.67	
Prepaid Expenses		334,795.33	
Balances receivable from Employees for Victory Loan Bonds purchased on their behalf (secured)		63,578.72	
Sundry Advances, Mortgages, Deposits, Balances Receivable and Advances to Employees for Expenses, etc.		177,345.58	
			$23,547,424.04
Investments in and Advances to and from Subsidiary Companies, less reserve:			
Investments		$ 340,003.64	
Less Net Advances		253,039.73	
			86,963.91
Fixed Assets—Land, Buildings, Leasehold, Plant and Equipment			23,085,096.23
Fixed assets which have been appraised are shown at their depreciated appraisal values, and other fixed assets are shown at not exceeding cost—The appraisals were made by Dominion Appraisal Company Limited—31st March, 1927. Canadian Appraisal Company Limited—31st March, 1919, October, 1919 and 30th September, 1922. American Appraisal Company—1st October, 1919.			
Goodwill			1.00
			$46,719,485.18

LIABILITIES

Borrowings from Bankers and Others (secured $5,820,000)		$9,275,362.52	
Accounts Payable and Accrued Charges		2,694,172.55	
Reserve for Income, Sales, Municipal and other Taxes		2,165,131.43	
Accrued Bond Interest		6,784.89	
Dividend Payable on Common Shares, 1st April, 1943		200,000.00	
			$14,341,451.39
Funds Held in Trust			320,166.72
Collateral Trust Debentures—Authorized $6,000,000 whereof outstanding 2¾% debentures due 2nd January, 1944			750,000.00
Reserve for Depreciation			13,867,246.94
Surplus on Appraisals			5,617,482.73
Capital—Authorized and Issued: 200,000 Common Shares of no par value		$ 1,438,284.46	
Earned Surplus Account		10,384,852.94	
			11,823,137.40
			$46,719,485.18

Consolidated Earned Surplus Account

Balance at credit 26th March, 1942	$ 9,573,435.26
Net profit for the year	1,611,417.68
	$11,184,852.94
Dividends paid or payable for the year	800,000.00
Balance at credit 25th March, 1943	$10,384,852.94

American Paper Mill Activity Above 1942

American paper mill operations are on a broader scale currently than a year ago. For the week of Aug. 21, the mills operated at 91.1% of capacity, according to reports received by the American Paper and Pulp Assoc. This contrasts with 81.2% for the corresponding week of 1942.

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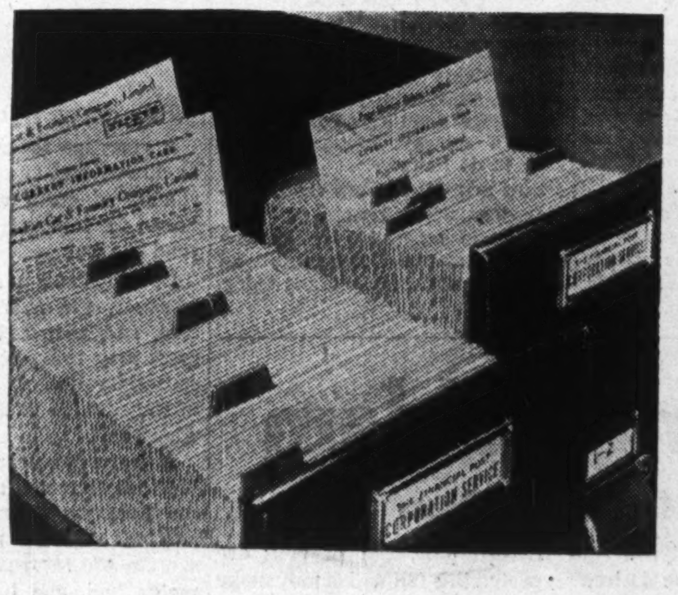

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THE FINANCIAL POST CORPORATION SERVICE

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FS7

We Have Been Asked . .

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, wartime regulations and other subjects. The Post cannot undertake to make predictions, will not express opinions on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed.

INCOME TAX

Marries Soldier

My daughter is employed and earns $1,000 a year. She is married to a soldier who gets $1.50 a day. What is her position as regards income tax?

She is regarded as a single person for tax purposes because she is getting more than $660 a year. But she can claim credit for any of her husband's life insurance premiums she pays. It is understood this is a concession as regards servicemen only.

Student Enlists

My son who is 19 was attending college until April when he enlisted in the RCAF. His earnings this year will be under $400. Am I entitled to any deductions from income tax for 1943 on his account?

Yes. You are entitled to full deduction of $80 from graduated tax and $28 from normal tax on his account. Although he is over 18, the fact that he was attending college and his total earnings are less than $400 qualifies him as a dependent.

Charitable Gifts

I recently made a substantial contribution to a charitable organization. I understand such donations can be deducted from income for income tax purposes. Is this correct? Do I have to submit proof of the gift?

Yes, provided the charitable organization is recognized by the authorities you are entitled to deduct donations up to 10% of your income. You should however get an official receipt and submit it along with your income tax return next year.

INVESTMENTS

Nova Scotia Light

Will you please let me know what were the final amendments to the Nova Scotia Public Utility Act; what happened to the move of the City of Halifax to take over the company's property. Regarding the company in general, are the properties conservatively valued? If the company were taken over by the city would the preferred get $105 a share and the common something like the present market value of $80 a share? The balance sheet suggests a net coverage for the preference of $160 and some $39.08 for the common.

Amendments to the Nova Scotia Utilities Act, as finally passed, modified some of the original proposals but, on the whole, was not overly favorable to the company. Under the old Act utility operators were entitled to a return of 8% on their capital. This clause was eliminated in the amended Act, the return to the utility operator being left to the discretion of the board. At the same time the Act says that the return is to be computed before income tax rather than after. However, there is some question of doubt as to the interpretation of this particular clause. As you can readily see, if the return is decided by the board before taxes it will work against Nova Scotia Light & Power Co. and other utility operators in Nova Scotia.

The move by the City of Halifax to take over the company's properties was one of those ideas which developed on the spur of the moment. A resolution was passed by the City Council favoring such a move, but when the delegation approached the provincial government last spring, Premier MacMillan informed them that it was then too late in the session to pass enabling legislation. The proposal has not been abandoned, but there has been no active interest taken in it since that time. Nor, it might be added, was there any particular public interest in the suggestion at the time the resolution was passed by the council.

We have no definite information as to the value of the property. We would point out, however, that over the course of years the company has had to submit its capital investment figures to the Nova Scotia Utilities Board for approval. This has been necessary where rate adjustments were involved and one might take it for granted that in approving a rate schedule the board also approved the value set by the company upon its assets.

In the event of expropriation of the Nova Scotia Light & Power Co.'s property by the City of Halifax, it would seem reasonable that the preferred shareholders would secure full return of their money, if not a premium of 5%. The amount available on the common stock is another matter. It is difficult to express a definite opinion. For example, our records indicate that the book value back of the common stock is somewhere around $55 a share, as compared with a figure of $39.08 which you quote. But the book value of the stock would not necessarily be the figure decided upon by arbitration, as it would be necessary to take into consideration the earning power back of the stock. Considering the fact the company is paying a dividend of $6 a share and the current value of money, it would appear that a figure higher than the book value would be warranted. That, however, is a matter for arbitration.

Perron Gold

Could you supply me with information as to earnings prospects and current ore position of Perron Gold Mines?

Downward trend of production experienced by Perron Gold Mines in 1942 has continued in 1943 and there appears little immediate prospect for improvement due to the increasingly short supply of labor for gold mining operations generally. There seems to be little question but that the company could treat a larger tonnage of ore and realize higher production if more men could be obtained for mining and development, but these have not been available.

In recent years a considerable proportion of ore for milling has been drawn from the important No. 32 vein which shows a length of 704 ft. on the 1,025-ft. horizon. This vein, however, passes over into an adjoining property at depth and the emphasis is now on opening up further ore sources in new veins, a considerable number of which have been indicated by diamond drilling. Ore reserves show approximately one year's milling requirements at last report.

Midwest Iron

Could you supply us with information as to the operations to date of Midwest Iron?

Midwest Iron Mining holds 64 claims, iron prospects, in several groups adjoining or in the neighborhood of the Steep Rock property. Diamond drilling is being carried out with some 2,000 ft. of drilling having been done on four groups. Drilling is currently going on to meet assessment requirements on the company's claims, and as soon as sufficient assessment work has been completed to secure titles to the remaining 43 claims as yet unsecured, detailed drilling will be undertaken to prove the value of encouraging indications which present drilling has revealed.

As soon as possible drilling will be undertaken to determine the tonnage of a body of iron carbonate which has already been cut in one hole across a width of 60 to 70 ft. This hole is located on a group of six claims approximately one mile south of the Steep Rock "B" ore body. The company has an authorized capital of 5,000,000 shares of which about 2.6 million have been issued.

Associated Tel. & Tel.

Would you supply us with information on the bonds of Associated Telephone & Telegraph?

According to our latest report, that for the six months ended June 30 1943, Associated Telephone and Telegraph earned 1.36 times the amount of its interest charges for the period.

Some concern has been felt as to the ability of this company to continue to make good on its obligations, in the light of serious losses suffered through enemy occupation of the Philippines, and of European countries in which the company had investments.

In spite of these losses, however, bond interest has continued to be earned, demonstrating the company's ability to make good on its funded debt from the earnings of its North and South American holdings alone. There is no reason to believe that a further deterioration of the company's position will occur.

Largold

We would appreciate any information available on developments in connection with the Largold property.

There are as yet no definite results available regarding value of Largold property. In addition to its original gold prospect of eleven claims adjoining Kerr-Addison, the company has recently acquired two new groups of claims in the Larder Lake area.

The best surface showing on the latter properties is to be found on one of these new groups, the former Drummond group, and it is here that the first vein has been traced for approximately half a mile and samples from it are reported to have given some encouraging gold values. A shallow pit sunk in the centre of the property has shown a continuation of these values to a depth of about 32 ft.

Assay values have been given running from $10.50 to $45.50 a ton, but sufficient work has not been done to give any reliable indication of its possibilities. The company has let a contract for 10,000 ft. of diamond drilling to the Inspiration Mining and Development Co. Drilling will be under supervision of J. P. Norrie.

Largold has an authorized capital of three million shares of $1 par value, of which 1.1 million were issued as of June, 1943.

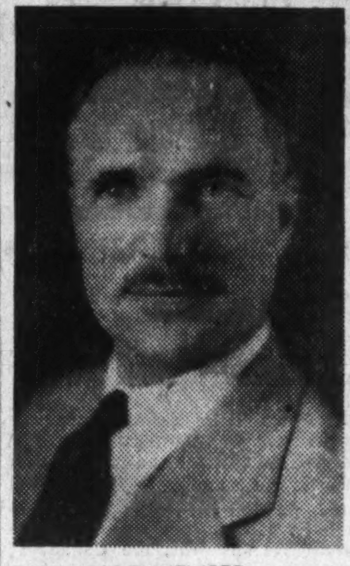
General Foods Elects Three New Officers

Election of three new officers of General Foods Corp. was announced last week by Clarence Francis, president of the company.

The new officers are Oscar McPeak, who was made assistant secretary, and Harold W. Baker and Robert R. Stevenson, who became assistant treasurers.

C. D. S. Securities Net Shows Sharp Advance

Consolidated Diversified Standard Securities reports net asset value of the company's preferred stock at July 31, 1943, was $21.83 a share, as against $15.60 a year ago.



EXCHANGE MEMBER

Fernand Rochon, who has been elected a member of the Montreal Stock Exchange. Mr. Rochon is a director of Rene T. Leclerc Inc., and vice-president of Clernay Realties.

New Wartime Regulations

Men's, Youths' and Boys' Woollen Work and Sports Clothing. WPTB order A-864, Aug. 21, revokes order A-809 and reinstates part 1 of schedule "B" of order A-207. Adm. of Fine Clothing, H. R. Cohen.

* * *

Bread and Bakery Products. WPTB order A-863, Aug. 21, regulates the manufacture of bread and bakery products and consolidates orders 55 and 56 and A-59. Adm. of Flour and Cereal Products, J. J. Page.

* * *

Beef. WPTB order 307, Aug. 23, revokes and replaces orders 194, 252, 260, 267, 278, 279 and A-734. This order fixes maximum prices at which beef may be sold at wholesale and at retail and provides standard rules governing the cutting up of beef for sale. WPTB Deputy Chairman, D. Dewar.

Shawinigan Adds to Plant

Rapide Blanc, La Tuque Get New Generators; 84,500 h.p. Capacity

Installation of two new hydroelectric generator units, recently completed for Shawinigan Water & Power, increase the power capacity of the system by 84,500 h.p., it has been announced by the company.

The new generators, which were installed at request of the federal power controller for additional power in the St. Maurice Valley, have been added to the capacity of the company's plant at Rapide Blanc and the jointly owned St. Maurice Power Corp. at La Tuque. The report also states new installations will be of considerable benefit to Quebec Power, a subsidiary of Shawinigan Water & Power, whose transmission system forms an integral part of the Shawinigan system.

Former capacities of the Rapide Blanc and La Tuque plants were 160,000 h.p. and 178,000 h.p. respectively, while total capacity of Shawinigan and its partly and wholly owned subsidiaries amounted to over 1.2 million h.p. All work done on the new installations was carried out by Shawinigan Engineering.

Ontario Hydro Meets War Demands Fully

Cost of Construction Operations Launched to Supply Electrical Needs of War Plants Aggregates $37 Millions

Between Sept., 1939, and April, 1943, the Hydro-Electric Power Commission of Ontario undertook a large construction program involving 1,215 individual projects all of which were initiated to meet increased demands of war industry for electrical power. Of the 1,215 projects, 1,119 or approximately 92%, have been completed.

Broken down into divisions, the work involved creation of numbers of generating plants and transformer stations.

Generating plants include those at Big Eddy, on the Muskoka River; Barrett Chute on the Madawaska; Bark Lake Storage Dam, also on the Madawaska; the Ogoki River Diversion, the DeCew Falls development and Ear Falls project in northern Ontario.

Transformer stations have been built at Burlington, Hamilton, Atlas Steels, Crowland, Toronto Fairbank, Toronto Esplanade, Chats Falls, for Toronto Power, at Hanover, and Leaside as well as numerous transmission and distribution lines.

Two Units at Big Eddy

The Big Eddy project, comprising two units with a total generating capacity of 9,500 h.p. at 60 cycles, was commenced in July, 1940. The first unit was ready to carry commercial load in Oct., 1941, while the second was ready for service a month later. It is designed for supervisory control from the Ragged Rapids Plant and supplies power to essential war industries in the Georgian Bay System. An average of 128 men were engaged on it over a period of 25 months. Cost to date is $1.3 millions.

The 54,000-h.p. Barrett Chute was commenced in Nov., 1940, and went into service in Aug., 1942. It is essentially a powerhouse, feeder canal and main dam. Installed in the power house are two units, each capable of generating 27,000 h.p. at 60 cycles. A system of automatic frequency and load control interconnected with the plants at Chats Falls and the Gatineau Power Co., maintains constant frequency and a predetermined load balance. The 60-cycle power generated by the Barrett Chute plant is supplied to the eastern Ontario system and, through connection to the frequency-changer set at Chats Falls, power at 25 cycles can be transferred to the Niagara System.

To Cost Over $4 Millions

Construction required services of 300 men over a period of 23 months. Cost to date is $4.5 millions and the final estimated cost $4.6 millions.

Bark Lake Storage Dam, completed in spring, 1942, is situated 65 miles up the Madawaska from Barrett Chute. The dam creates a reservoir with a capacity of approximately 300,000 acre feet. Its cost to date, including cost for flooded land, is $1.4 million. Final estimated cost is $1.5 millions.

The Ogoki River Diversion just completed makes possible development of 360,000 h.p. at various developed and undeveloped sites between Lake Nipigon and the mouth of the St. Lawrence River. Begun Nov., 1940, it employed 461 men for 29 months. Cost to date is $4.5 millions. Final cost will total $5.1 millions.

Additional 65,000 h.p.

Initial power from the DeCew Falls Development is expected to be delivered during this summer (1943). Situated at Twelve Mile Creek near St. Catharines, DeCew Falls will make available an additional 65,000 h.p. for 25-cycle power for the Niagara System. Construction of this undertaking cost $3.7 millions, an average of 360 men working for 19 months. Total cost will be $6.1 millions.

A third generating unit at Ear Falls in northern Ontario went into service Jan. 4, 1940, and involved expenditure of $680,000.

The ten transformer stations represent expenditure to date of almost $9 millions with a number of them still to be completed or expanded.

The following major transmission and distributing lines have been erected:

	Miles	Volts (000)	Cost ($000)
Baudet to Leaside	281	220	3,420
Leaside to Burlington	45	220	1,680
St. Thomas to Essex	103	110	715
Chats Falls to Ottawa	30	110	195
Ottawa to Cumberland J'n.	15	110	98
Frontenac to Sidney	57	110	380
Ragged Rapids to Nobel	42.5	38	*225
Shining Tree to Jerome Gold Mines	42	26	425
Uchi to Jason Gold M.	41.5	44	250
Port Arthur to Moose Lake (Steep Rock)	120	110	1,520

*Cost borne by Canadian Industries Ltd.

Completion of the head office building in Toronto was accomplished early in the war at a cost of $1,316,000.

Work has been done in providing electrical service to airports and certain defense industries which, together with construction for physical defense of Hydro properties, cost a total of between $2.5 millions and $3 millions.

Altogether construction operations of the Commission have aggregated $37 millions, much of which is directly attributable to providing power for war purposes.

Housing Famine Serious In B. C.

From Our Own Correspondent

VANCOUVER—So severe has the housing shortage become in west coast cities that there is little prospect of any further expansion of war industry in British Columbia until conditions improve.

Living accommodation has been at a premium in Vancouver, New Westminster, Prince Rupert, Victoria and other centres since war industries such as shipbuilding got into full stride a year ago. Under normal conditions all these cities would have experienced a building boom to accompany the increasing employment and the steady drift of labor to the urban communities. But decline in lumber production, coupled with the prior need of lumber for war purposes, has left very little material for civilian building and the result has been a continuing housing "crisis."

A spokesman for the steel shipbuilding industry stated last week that the maximum number of persons who could be employed in the Vancouver area were already there, and that the housing situation would from now on act as a brake on further activity.

Many men have been diverted from shipyards building cargo craft to other yards concentrating on naval and other work. These men cannot be replaced—not because more men are not available from the prairies and the interior of the province, but because there is no housing for them should they come to the coast.

Ottawa Light Calls In Bonds

From Our Own Correspondent

MONTREAL, — Ottawa Light, Heat & Power Co. has called for redemption at 101 and accrued interest all of its outstanding 3½% serial bonds. The bonds will be paid off on Oct. 1 in Canadian funds only.

At the end of last year the company had outstanding $425,000 of the 3½% serial bonds. In addition, there were $85,000 of 3% serial bonds due in October. Following the current redemptions the company will have outstanding only the 4% bonds, of which $3.9 millions were in the hands of the public at the beginning of the year.

It is understood there are no immediate plans for financing publicly next October's refunding operation.

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Life Insurance

Servicemen's Death Benefits

Canada Scheme Non-contributory — U. S. Less Liberal

Provision whereby United States service men can buy up to $10,000 life insurance at low cost has created an impression in some quarters that servicemen's benefits are higher in the U. S. than in Canada. A survey of the situation shows, however, that even with the life insurance feature in the United States, the Canadian pension plan which is wholly non-contributory compares favorably, with less cost to the individual.

Recent press references to soldier's life insurance in the United States has created an impression in some quarters that dependents of fighting men in the U.S. enjoy greater pension benefits than they do in Canada. Actually, it appears, Canadian benefits compare quite favorably with those of the U.S., despite the soldiers' insurance in the latter.

Differences in the two systems are as follows.

In Canada there is a non-contributory pension only. If the man dies abroad from causes incurred during military service (and this is taken to mean practically all deaths occurring abroad), his dependents are entitled to full pension benefits. To qualify for these benefits, it is only necessary that cause of death be "incurred during" service. Accordingly during service abroad the Canadian serviceman has practically full protection for his dependents. This has been described sometimes as the "insurance principle," applicable on death outside Canada under Canadian pension regulations. The lowest amount of pension payable—$720 a year for a widow with no children—is equivalent to the income from a substantial amount of straight life insurance.

In Canada

Servicemen who die while serving in Canada are entitled to the same pension benefits for their dependents. But in this case the insurance principle does not apply and it must be proved that death was due entirely to service. In both cases benefits for death at home or abroad are granted without any monetary expense to the soldier, sailor or airman during his service.

In the U.S. the benefits are payable partly by way of a non-contributory pension—substantially less liberal than that in Canada— and partly by a contributory scheme known as National Service Life Insurance. Because this cover is voluntary, and because the cost to the individual serviceman varies according to age, etc., comparisons are difficult and have to be made on an average rather than on an exact basis. The non-contributory benefits, that is the straight pension, are payable to dependents when death is due to injury or disease suffered "in line of duty while the United States is engaged in war." Meaning of this clause does not seem to have been clearly interpreted.

Lower Than in Canada

The rate of pension paid is substantially lower than in Canada as indicated by the following rates payable for all ranks up to that of an army lieutenant or the equivalent. In higher ranks, pensions are increased.

Non-Contributory Monthly Pension Benefits

	Canada $	U.S.A. $
Widow	60	38
Widow plus 1 child	75	48
Widow plus 2 children	87	56

The Canadian pension rate is $15 a month for the first child and $12 a month for the second one with $10 a month for each additional child. Pensions are normally paid up to 16 for boys and 17 for girls. U.S. pensions for children are paid up to 18 and between the ages of 10 and 18 they are increased $5 a month for each child over the initial rate. Where a child is taking approved educational training, the pensions may be continued to age 21 in both countries.

Private Means

The Canadian pension is payable no matter if the widow has private resources of her own and is payable also in cases of necessitious circumstances, even when otherwise the widow would not qualify for pension, as when the serviceman dies in Canada from causes unrelated to war service.

In the U.S. a widow without children and with an annual income of more than $1,000 from sources other than National Service Life Insurance gets no pension. A widow with children draws no pension if such private income exceeds $2,500.

The U.S. pension increases from $38 to $45 for widows over 50. The Canadian pension is unchanged at higher ages. But while the U.S. places a ceiling of $83 a month on pensions payable to any one family, there is no limit in Canada.

Lump Sums

Values of the two pensions in the two countries based on an interest rate of 3%, using mortality tables

	Age	Canada Annual pension	Canada Lump sum value	U.S.A. Annual pension	U.S.A. Lump sum value
Widow	20				
No children	.	720	17,902	456	11,838
Daughter	1	900	20,136	576	13,719
Daughter	1				
and Son	2	1,044	21,757	672	15,248
Widow	30				
No children	.	720	16,397	456	11,083
Daughter	6	900	18,071	576	12,638
Daughter	6				
and Son	7	1,044	19,199	672	13,935

In the U.S. figures the values of the annual pension show the initial rates. The values at death of the serviceman take account of the higher widow's pension from age 50 on, and the higher pension paid for children between 10 and 18.

The lump sum value of the pension for the average family in Canada is considerably larger than in the U.S. by $5,000 or $6,000, and exceeds the amount of insurance carried in most cases.

Soldiers' Insurance

This is where soldiers' insurance in the U.S. comes into the picture. By voluntarily taking out and paying for a corresponding amount of National Service Life Insurance, the U.S. serviceman can give his dependents the same protection as the average Canadian has without such cost.

It has been estimated the average amount of National Service Life Insurance taken out by each individual in the U.S. forces is between $5,000 and $7,000. This would make the total death benefits in both countries practically identical, the main difference being that, while the Canadian plan is non-contributory, the U.S. serviceman contributes from pay on about one third of the total benefits.

But the money payable under the servicemen's insurance policy is subject to certain regulations. The type of insurance issued is five-year level premium term insurance convertible after the first year and up to the end of the fourth year into other policy plans. Only certain beneficiaries are permissible, these comprising the widow (or widower) child, parent, brother or sister. If no permissible beneficiary is alive no payment of benefits is made.

Any Serviceman May Apply

Any person in active service may apply, but evidence of insurability normally is required after 120 days of service although the clause was recently liberalized to include all individuals enlisted up to Aug. 10. If one in the service dies in line of duty within 120 days of enlistment, or if between Dec. 7, 1941, and April 20, 1942, he was captured, besieged or isolated by the enemy, he is considered to have applied for and granted $5,000 insurance. The limits of insurance allowed are minimum $1,000, maximum $10,000.

Payable in Installments

Benefits are not payable in a lump sum but in installments. If the beneficiary is under 30, the benefit is payable in 240 monthly installments certain of $5.51 per $1,000 of insurance; if over 30 the benefit is payable as a monthly annuity guaranteed for life or for 10 years certain.

Monthly installments payable for ages 30, 40 and 50 are computed at $3.97; $4.50 and $5.39 respectively.

Original term premiums per $1,000 start at $7.70 for age 20 and rise through the succeeding years to $15.04 at 50.

On the basis of benefits alone the cover in the two countries appears fairly comparable, with the Canadian plan, however, more liberal and requiring no contributions by premiums as in the U.S.

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You don't hire him. You simply insure your power plant equipment with The Boiler Inspection Company. Regular inspection of your equipment by specialists in power plant safety follows automatically, because this accident prevention service is an integral part of a Boiler Inspection policy.

Canadian industry endorses the service of The Boiler Inspection Company overwhelmingly. With 23 companies writing engineering insurance in Canada, more than half of all premiums paid for this type of insurance are paid to The Boiler Inspection Company.

Why not review your power plant insurance, now, with these facts in mind. Call your agent or broker now.

Who is the *TROUBLE FINDER

The Trouble Finder symbolizes the idea that prevention is better than cure. This idea is the dominant idea in engineering insurance written by The Boiler Inspection Company.

The Boiler Inspection and Insurance Co. of Canada
THE NINTH FLOOR ATLAS BLDG TORONTO
806 THE BANK OF NOVA SCOTIA BLDG MONTREAL

Revised U. S. Currency Plan Pleases Canada

By STAFF WRITER

OTTAWA.—Detailed study this week of the actual text of the new U. S. revised plan for currency stabilization reveals that it is a much more satisfactory document (from the Canadian point of view) than was indicated by early press summaries and reports.

The two most important changes in the revised U. S. proposals have to do with (a) greater dependence on gold in the calculation of individual member country subscriptions to the proposed stabilization fund, and (b) a restriction in the amount of borrowing or "credit" which any country may obtain from the fund.

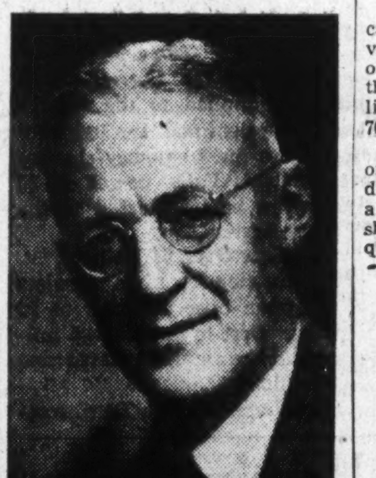
In both cases the official published summaries of the revised U. S. plan appeared to be much more stringent than now seems to be the case. Canadian fiscal authorities still believe that the Americans in their new plan have gone too far in attempting to impose these new restrictions, but they are greatly relieved to learn that early fears of an even more restrictive proposal have not materialized.

U. S. Copies Canada Plan

Canadian authorities are highly gratified to see the extent to which the new U. S. proposals draw on the Canadian plan which was published a short time ago as an attempt to provide a compromise between the British and American versions of how international currency stabilization is to be achieved in the postwar period. The most significant and courageous adaption by U. S. authorities of an alternative suggested by Canada is in regard to the formula for calculating voting strength of member countries. The new U. S. proposals draw heavily on the Canadian suggestion as also do the revised provisions for alterations in the exchange rate of individual member countries.

Chicago Conference

This week two outstanding Canadian experts, Governor Graham Towers of the Bank of Canada and Louis Rasminsky, chairman of the management committee of the Foreign Exchange Control Board and executive assistant to the Governor, have been invited to a special conference at Chicago called by Simeon E. Leland, chairman of the Chicago Federal Reserve Bank, to discuss the whole question of currency stabilization and especially the revised U. S. plan. The British Government will also be represented at the conference. This and similar conferences which, it is expected, may be held in the U. S. are considered vitally important in view of the general apathy on the part of commercial bankers in the U. S. to the whole question of a formal organization to control postwar international currency stabilization.



GOES TO HALIFAX

Reid J. Smith, who has been appointed manager of the Bank of Nova Scotia's Halifax branch, succeeding G. W. G. Williamson who becomes assistant supervisor of branches at Saint John. Mr. Smith has been acting manager of the bank's foreign relation department, Toronto.

CSL Stock On Pay Basis

First Payment on Common Indicates Annual Basis of $1 a Share

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines has initiated payment on its common stock, with a dividend of 50 cents a share, covering the period Jan. to June, 1943.

This action by the company is in line with expectations. At the annual meeting last April, W. H. Coverdale, president, stated a dividend of $1 a share per annum on the company's common stock would require $300,000, and he pointed out that the company's surplus was substantially above that.

Dividend Is Covered

At that meeting also, Mr. Coverdale said that while net profit in 1943, owing to tax regulations, would be smaller than in 1942, it would easily cover dividend requirements of $300,000 or $1 a share on the common stock. The 1942 net equalled $3.25 a share.

Previous dividend action on the common stock was ruled out owing to provisions of the reorganization plan carried in 1936. Under the terms of that agreement, preferred dividends were on an income basis until the end of 1942, provided no dividends were paid on the common stock. In that event the preferred dividends became cumulative. Dividends on the preferred are now on a cumulative semi-annual basis.

Virgo Larder Mines, by agreement July 20, 1943, agreed to sell to Ernest F. Griffith 200,000 shares at 10c a share payable immediately, and granted an option on a further 1.1 million shares at from 15c to 60c a share, all to be paid within 32 months.

U. S. Life Companies Starting Big Fight

U. S. Companies Ask Support for Government's Campaign Against Rising Prices — Co-operative Program Follows Canadian Plan

Canadian life insurance companies are watching with interest the anti-inflation advertising campaign of insurance companies in the United States. It is not believed, however, that an exactly similar campaign will be undertaken here. As a matter of record considerable work of this kind has already been done in this country.

It is pointed out by Canadian life executives, that ever since the beginning of the war, the Canadian companies have co-operated with the government in urging the purchase of Victory bonds, war savings certificates and life insurance not only as a means of providing money for the government's war effort but also, to divert surplus funds into non-inflationary channels. Advertising both by companies individually, and as a group, has centred largely around the anti-inflation angle, while salesmen have also used this argument in their interviews.

Most recent development has been the publication of a folder to send out with premium notices under the caption, Target for Today. This emphasizes the thought that "The Basis of Financial Independence is War Savings, Plus Life Insurance."

In 286 Papers

The United States companies are running the advertisements in 286 newspapers in 170 cities from coast to coast with a circulation of about 26 millions.

The first advertisement appeared under the heading "Why Your Life Insurance Companies Urge You to Join the Campaign to Hold Down Prices."

Their publicity states that the government (U. S.) is urging the people to

"Buy and hold War Bonds—to lend our country the money it needs to fight the war to victory.

"Pay willingly your share of taxes—including increased taxes—that our country needs.

"Provide for your own and your family's future by adequate life insurance and savings.

"Reduce your debts as much as possible and avoid making needless new ones.

"Buy only what you need and make what you have last longer.

"Live faithfully by the rationing rules to conserve goods of which there are shortages.

"Co-operate with our Government's price and wage stabilization program."

Institute of Life Insurance

The advertisements are signed by the Life Insurance Companies of America and the campaign is managed by the Institute of Life Insurance at New York.

The Canadian companies through the Canadian Life Insurance Officers Association have been running a co-operative advertising campaign for 23 years.

This year the advantages of free enterprise are the keynote of their advertising.

National Steel To Split Stock

Four-for-One Division Is Recommended by Board to Shareholders

From Our Own Correspondent

MONTREAL.—National Steel Car Corp. proposes to split its stock on a four-for-one basis.

According to Hugh N. Baird, president, the directors have decided to recommend this course of action to the shareholders and a special general meeting will be called to consider the matter at the time of the annual meeting.

The company's fiscal year ends June 30, and the annual report is expected in the near future. Last year the annual meeting was held in Hamilton on Sept. 24.

Has 702,000 Shares

The company has an authorized capital of 250,000 shares of no par value stock, of which 175,500 are outstanding. The split would change the authorized amount to one million shares and the issued capital to 702,000 shares.

Current dividends on the stock are on a $4 a year basis, so that the indicated rate on the new stock is $1 a share. On Apr. 15 a bonus of $1 a share supplemented the 50-cent quarterly distribution.

Fire Losses Up In Nova Scotia

Fire losses in Nova Scotia in the second quarter of 1943 were $643,978 or $196,913 higher than in the same quarter of 1942, according to the report of Col. S. S. Wright, provincial fire marshal.

There were 391 fires with an insured loss of $484,435, an increase of $110,451. The uninsured loss was $159,545, up $86,462 from the previous year. Ten large fires accounted for $477,433 or 74.1% of the total loss.

Fire Prevention Seen Vital Need

Fire Prevention Week this year in Canada and the United States comes Oct. 3 to 9.

The campaign this year is receiving particular emphasis because in spite of the need of conserving materials for war purposes, fire losses are increasing. In 1942 property losses in Canada from fire totalled $31 millions, against $28 millions the year before and the highest total since 1933.

Through the press, radio, theatres and from the platform the need of fire prevention as a factor in winning the war will be urged.

Insurance Sales $51 Millions

Sales of new life insurance in Canada and Newfoundland in July totalled $51.2 millions. For the first seven months of the year they were $332 millions. The figures are compiled by the Life Insurance Sales Research Bureau, and are for new settled, ordinary life insurance exclusive of group insurance, annuities revivals, etc.

Sales for July:	1943
British Columbia	$3,854,000
Alberta	2,759,000
Saskatchewan	2,013,000
Manitoba	3,124,000
Ontario	21,579,000
Quebec	13,241,000
New Brunswick	1,537,000
Nova Scotia	1,797,000
Prince Edward Island	373,000
Newfoundland	951,000
	$51,228,000
Six months:	
British Columbia	24,847,000
Alberta	18,252,000
Saskatchewan	10,856,000
Manitoba	18,278,000
Ontario	142,291,000
Quebec	87,762,000
New Brunswick	9,357,000
Nova Scotia	13,455,000
Prince Edward Island	1,934,000
Newfoundland	5,071,000
	332,103,000

The Wawanesa
Mutual Insurance Company
—ORGANIZED IN 1896—
Admitted Assets .. $3,819,972.11
Surplus 2,014,637.07
Dom. Govt. Deposit 1,939,324.33
— Write for Financial Statement —
Head Office, WAWANESA, Man.
Eastern Office: TORONTO, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg and Montreal.
2,000 Agents Across Canada.

FIDELITY
Insurance Company
of Canada
TORONTO

To our policyowners

There are also Four Freedoms in Life Insurance

Your Confederation Life Insurance Policy carries with it Four Freedoms for you and your beneficiaries.

Freedom from want for your family

Freedom from want in your own old age

Freedom from want of money to meet emergencies

Freedom from want of money to carry out future plans

Peace of mind is secured by these four freedoms.

Confederation Life Association
HEAD OFFICE TORONTO

Now, more than ever, your children depend on you!

Are you one of the thousands of women who are accepting a man's responsibilities today? Then this message is for you!

Your children count on you now for everything. And there is only one way your love and foresight can guarantee that they will always be secure.

That way is through LIFE INSURANCE PROTECTION on your own life as well as that of your husband.

Through The Mutual Life of Canada, *you* can create *at once* an estate that will *guarantee* a "clean-up" fund, provision for the needs of dependents, as well as a generous nest-egg for yourself and your husband.

A representative of The Mutual Life of Canada can show you a wide variety of protection plans, geared to wartime incomes. For complete information, call or write your nearest Mutual Life office today.

THE MUTUAL LIFE OF CANADA
Established 1869
Head Office • Waterloo, Ont.
INSURANCE IN FORCE OVER $638,000,000

OVER 175,000 CANADIANS ARE PROTECTING THEIR FAMILIES THROUGH THE MUTUAL LIFE OF CANADA

Banking

Sicily Armies Issue Money

Invasion Currency Under Allied Military Control

Issue of new currency by the allied armies in Sicily has brought the military forces there into the banking business. Reason is that this "invasion" currency is being circulated not on the authority of either the British or United States treasury but on that of General Eisenhower, commander of the allied forces in the Mediterranean. He controls the exchange rate (set at 100 lire to the dollar), and sees that it does not tend to encourage inflation. It is thus military money, intended for use in an emergency, and to be retired when need passes.

Value Set Arbitrarily

The unit of the new currency is the lira and its value is set somewhat arbitrarily at the rate of one lira equalling one cent. There is no real way of estimating how far inflation or currency depreciation has gone in Italy, but from available information it is believed this rate is fair.

The money printed by the United States Bureau of Engraving and Printing is in eight denominations, ranging from one to 1,000 lire. The words "Allied Military Currency" are printed on one side, and the Four Freedoms in English on the other. The notes also are marked with the denomination in lira, Series 1943, and carry the words "Issued in Italy."

If it should be found desirable to change the rate of exchange this can only be done by authority of the commander-in-chief.

Need for some such form of money was realized some months ago when the invasion of Italy was first planned. It was believed that as the invasion succeeded retreating armies would follow usual procedure in such cases and either remove or destroy all currency they could lay their hands on. Object of this vandalism is to disrupt business in the evacuated territory and hinder occupying forces as much as possible.

An Army Currency

Because it was a temporary measure and the government of conquered territory for the time being in the hands of the military commander, it was agreed by both London and Washington that the new currency be issued under authority of the allied armies. Accordingly the expense of printing was borne not by the two governments concerned, but by the armies. When the rate of exchange was decided, the money was flown across the Atlantic.

If a bank in a captured area had been looted of its currency but still had its records intact, the Army would restock the till with invasion currency. It would circulate the money by paying its own servicemen and local laborers in the new notes, use them when buying supplies from the civilian population and, if necessary, set up its own bank in the conquered territory. Banking operations of the Army were confined to issue and exchange of currency. The money is redeemable in either pounds or dollars.

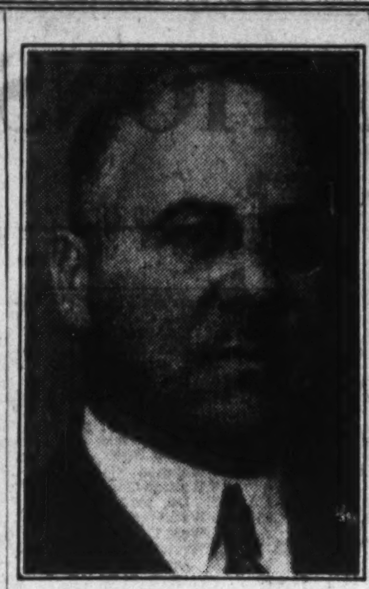
Emphasis is laid on the fact that this lira currency differs from the "spearhead" bank notes used in North Africa to pay U. S. troops there. That currency was issued by authority of the U. S. Congress and was negotiable in the United States. It was permanent money, according to all laws. This invasion money, on the contrary, is not negotiable outside the territory where issued and is regarded as a means of getting over an emergency rather than any attempt at a permanent currency. It is, however, circulating readily, the Sicilian population apparently being satisfied with the soundness of the pound and dollar into which it is convertible.

Keep Close Check

As a guard against the inflationary possibilities of the Army issuing its own currency, the Army is keeping close check on the volume being issued. Amounts spent on payrolls or for purchase of supplies is considered part of the army appropriation. Thus the total amount of the currency issued this way is part of, but does not add to, the total army appropriation.

Nazi propaganda has been aimed at making the Italian people believe the Allies are looting the country by undervaluing the currency. Allied spokesmen say their object is the reverse. The new currency will be used only until the Sicilians are able to establish a government of their own, when it will be withdrawn and retired.

Canadian bankers say that as long as the currency circulates only in the territory where issued it should maintain its purchasing power. It is redeemable by the same authority that issues it and as the Sicilian cannot import from abroad, money he receives from army sources is bound in time to come back to the Army. Stability of the rate is seen as the important consideration.



REPRESENT CANADA

Morris W. Wilson, of Montreal, who has been named to the Joint British-Canada-U. S. board which will have the final word on the distribution of available pulp-paper tonnage. Chas. E. Adams represents the U. S. and Sir Clive Baillieu the U. K.

Company Reports

Canada Packers

Profits of Canada Packers, after allowance for taxes, remained almost unchanged for the fiscal year ended March 25, 1943, at $1.6 millions, or $8.06 a share, states the company's annual report.

The reduction was not due to taxes, which also showed a decline. While the volume of sales rose by more than $24.5 millions, costs of livestock and other raw materials increased to almost as great an amount. Wages also took a considerable jump.

An interesting feature of the year's operations was the 50% reduction in Wartime Inventory Reserve. This fund, as at present computed, cannot be regarded as adequate to provide for possible inventory losses in event of declining prices after the war. Current inventories, at 1939 prices, would value at $5.9 millions less than at present.

In Jan., 1943, $750,000 of 2½% debentures fell due and were redeemed, thus cutting the bonded debt of the company in half. Bank and other borrowings have also been reduced from $14.2 millions to $9.3 millions and working capital substantially increased.

Profits of the company, expressed as a percentage of sales, were reduced from 1.1% to .95%, the lowest in the firm's history with the exception of 1932. Cost of livestock, etc., was up to 83.6% from 81.4%. Wages showed as a smaller percentage of sales, though larger in absolute amount. Quarterly dividends of $1 a share have been paid regularly.

Income, Surplus—Years Ended

	March 25 1943 $	March 26 1942 $
Net sales	169,141,671	144,509,292
Add: Invest. inc.	9,407	3,990
Net revenue	169,151,078	144,513,282
Less: Livestock, etc.	141,468,012	117,479,329
Mater. & packages	4,628,448	4,325,771
Wages & salaries	11,837,630	10,599,430
Gen. expense	5,991,372	5,503,858
Wartime inv. res.	650,000	1,310,000
Net earnings	4,575,616	5,294,894
Less: Depreciation	844,777	911,446
Bond interest	32,652	51,300
Prov. & mun. tax	243,104	254,913
Invest. reserve	......	40,000
Loss on sale assets	......	2,908
Inc. & E. P. taxes	1,843,665	2,422,862
Net profit	1,611,418	1,611,465
Less: Dividends	800,000	800,000
Surplus for year	811,418	811,465
Add: Prev. surplus	9,573,435	8,761,970
Balance forward	10,384,853	9,573,435
Earned per share	$8.06	$8.06
Paid	4.00	4.00
Working capital	$9,205,973	$7,432,493

Ontario Steel

Net profits of Ontario Steel products fell by nearly $60,000 for the year ended June 30, 1943, before taking into account $78,500 refundable excess profits taxes not immediately available for dividends.

In his report to the shareholders, Newbold C. Jones, president, stated that the company was now 95% engaged on war contracts, and during the past year had had a larger total production than at any other time in its history. Expenditures on plant and office facilities were made to the amount of $80,680. Depreciation was increased to provide for this. A special allowance was also granted by the War Contracts Depreciation Board. Regular quarterly dividends of 25 cents a share were paid on the common stock.

Income, Surplus—Years Ended June 30

	1943	1942
Operating profit	$709,354	$533,414
Add: Invest. rev. & rental	11,869	5,187
Less: Exec. fees & sal.	34,525	41,610
Other dir. fees	2,325	1,850
Legal fees	699	328
Net earnings	683,674	494,813
Less: Depreciation	144,600	124,484
Mortgage int.	3,281	3,806
Inc. & E. P. tax	*448,000	220,000
Net profit	87,793	146,523
Less: Pref. divd.	25,221	25,221
Common divd.	▲60,550	60,550
Surplus for year	2,022	60,752
Add: Prev. surplus	441,248	380,496
Ref. E. P. tax	78,500	......
Less: Inc. tax adj.	1,069	......
Balance forward	520,701	441,248

*Incl. ref. portion E.P.T. ▲$12,110 pay. Aug. 16/43.

	1943	1942
Earned per share:		
Preferred	$24.37	$40.67
Paid	7.00	7.00
Common	1.28	2.50
Paid	1.00	1.25
Working capital	$479,609	$523,209

Willson Stationers

For the year ended April 30, 1943, the net profit of Willson Stationers showed a decline of about $7,500 as compared with the previous year. Earnings on the common stock amounted to 66c. a share. At the same time gross profits from manufacturing and trading showed substantial increase. The income account for the company is shown below:

Consol. Income, Surplus—Years Ended April 30

	1943	1942
Gross profit	$557,314	$499,585
Less: Wages & sal.	269,577	247,840
Rents	53,555	52,632
Depreciation	18,783	19,376
Other expenses	127,546	118,026
Oper. income	105,361	61,711
Add: Other income	38,506	35,188
Net earnings	143,867	96,899
Less: Inc. & E. P. tax	94,261	39,004
Net profit	49,606	57,895
Less: Pref. divds.	16,550	17,319
Surplus for year	33,056	40,576
Add: Prev. surplus	142,627	88,782
Inc. tax adj. & profit on sale of plant	454	13,269
Less: Prior yr. adj.	1,399	......
Adj. re Blanchard purch.	1,164	......
Balance forward	173,574	142,627
Earned per share:		
Preferred	$14.99	$17.12
Paid	5.00	5.00
Common	0.66	0.82
Paid	nil	nil
Working capital	$504,448	$477,270

American Cyanamid

Statement of American Cyanamid for six months of 1943 shows an increase in net profits over the corresponding period of last year of nearly $900,000. At present the total is $3.6 millions.

Figures for the 1942 period show a higher net profit than when published last year due to retroactive tax adjustments.

Income, Surplus—Six Months Ended June 30

	1943	1942
Oper. profit	$19,197,242	$14,418,221
Add: Other income	724,056	643,190
Net earnings	19,921,298	15,061,411
Less: Depr. & depl.	2,891,061	2,539,854
Research & devel.	2,167,996	1,732,793
Interest	387,671	432,959
Conting. res.	500,000	500,000
Income taxes	10,421,690	7,183,960
Net profit	3,552,880	2,672,045
Less: Pref. divds.	323,346	276,672
Surplus for period	3,229,534	2,395,373
Earned per share:		
Common	$1.22	$0.91

Neon Products

Earnings statement of Neon Products of western Canada and its subsidiary, Ruddy-Duker, 1943, show profits advanced by about $4,500 and an 8-cent increase in shares available for common dividends.

During the year current assets and liabilities both increased enormously, from less than $200,000 to more than $1 million. Working capital was at the same time reduced to an excess of current liabilities over current assets of more than $229,000. Liabilities were expanded through bank loans and Dominion Government advances, and current assets through billings against the Department of Munitions and Supply and greatly enlarged inventories.

Cons. Income, Surplus—Years End. Apr. 30

	1943	1942
Gross revenue	$788,982	$760,302
Less: Direct costs	486,218	436,931
Operating profit	302,764	323,371
Less: Sign amort.	177,980	198,040
Land written-down	2,452	1,414
Int. on pur. money	......	487
Amort. of territ. & pat. rts.	......	4,500
Investment w/o	......	8,400
Inc. & E. P. taxes	*61,305	54,000
Net profit	61,027	56,530
Less: Pref. divds.	10,020	10,318
Common divds.	32,902	32,902
Pref. s. f. req.	5,012	5,425
Surplus for year	13,093	7,885
Add: Prev. surplus	160,876	152,983
Disc. on pref. red.	......	8
Balance forward	▲173,969	160,876

*Incl. ref. portion, $3,078. ▲Not incl. ref. E.P.T.

	1943	1942
Earned per share:		
Preferred	$18.27	$16.88
Paid	3.00	3.00
Common†	0.82	0.74
Paid	0.60	0.60
Working capital	‡$229,207	$27,781

†After pref. divds. & s. f. req.

‡Excess of current liabilities over current assets.

East. Dairies Plan Modified

Common and Preferred Shareholders Approve With Minor Changes

From Our Own Correspondent

MONTREAL. — Shareholders of Eastern Dairies Ltd. have approved a modified plan of reorganization.

Modification of the original plan involves only principal changes:

(1) Par value of the new non-cumulative preference shares of Dominion Dairies Ltd. has increased from $25 to $35.

(2) Dividend rate on these new preference shares is reduced from 6% to 5% per annum.

(3) A new provision is made in connection with the callable feature, providing for a premium of $2.50 per share in the event of the stock being redeemed in addition to the amount of the paid-up capital thereon.

Increase in Capital

Apart from such other changes in the plan as are necessary to give effect to these modifications, for example, the new capitalization in respect to the preferred shares will be 40,000 of which 25,000 will be outstanding representing $875,000 at the new par of $35 instead of a total of $625,000, the plan is substantially the same as originally proposed.

Following the meeting, W. R. Aird, president of the company, stated that at least two other steps are requisite before final court ratification can be obtained. Approval of the Eastern Dairies' bondholders is yet to be obtained. Their initial meeting was held on Aug. 24 and adjourned until Sept. 28. Meanwhile it is hoped to have a meeting called of Acme Farmers Dairy shareholders to submit the modified plans for their consideration. The latter had already approved the plan as originally proposed.

Holt Renfrew Pays Dividend

Payments on Preferred Restored After Lapse of 10 Years

From Our Own Correspondent

MONTREAL. — Holt Renfrew & Co. has declared a dividend of 3½% on the 7% cumulative preferred stock for the six months ended June 30, 1943, payable Sept. 15 to holders of record Sept. 1.

This represents the first disbursement in more than 10 years, the previous payment having been made Jan. 1, 1933. Arrears will remain at 70%.

Earnings Show Gain

Earnings on the preferred stock of the company have been somewhat erratic in late years, though since 1939 there has been a marked improvement. Last year $9.42 a share was earned on the preferred, as against $11.26 the year before. At the same time the working capital has moved up from $785,115 at the end of January, 1939, to $1.2 millions at the end of last January.

At the annual meeting held the end of last March shareholders were informed that the company was working on a plan to eliminate preferred dividend arrears, which would prove satisfactory to shareholders and meet with the approval of income tax authorities.

Aztec Mining Co. plans to distribute its holdings of 1,250,000 shares of B.R.X. (1935) Consolidated Mines, following release of these shares from escrow by the B. C. Superintendent of Brokers, it is stated. With 2,500,000 Aztec shares outstanding, this will mean a distribution of one B.R.X. (1935) Consolidated share for each two shares of Aztec held, it is stated.

Tooke Bros. Issue Plan

Proposal Wipes Out 12 Years Preferred Dividend Arrears

From Our Own Correspondent

MONTREAL—In arrears of dividends on the preferred stock since 1931, Tooke Bros. Ltd., has called a meeting of the shareholders for Sept. 28 to consider a plan of capital reorganization.

It is proposed that all the present preference and common shares authorized and issued will be cancelled and replaced by 35,000 new no par value common shares.

For each five shares of preferred stock now held, the holder will receive 14 new common shares, while one new common share will be given to each holder of five of the present common shares.

Corresponding adjustments of fractional certificates now outstanding will be made and fractional certificates issued to cover fractions of shares.

Write-down Capital

At the end of last year the value of the outstanding 8,725 common shares was $246,250 and the deficit of the company at that time was $121,155. The plan provides that the paid-up capital represented by the common shares be written down by an amount equivalent to the deficit, leaving an amount of $125,095.

The value of the issued and outstanding new common shares of the company after the plan becomes effective will be $1,110,095. This will be composed of $985,000, the amount of capital at the end of 1942, representing the 9,850 preference shares and the written-down value of the 8,725 common shares.

In issuing details of the plan, the company states it is hoped that after the scheme becomes effective the company will be in a position to commence payment of dividends upon its then outstanding capital stock.

CNR Income Ahead of 1942

Further Gain in July Brings Net Figure for Year to $53.6 Millions

From Our Own Correspondent

MONTREAL—Net operating revenues of the Canadian National Railways for July were nearly $1 million ahead of the like month last year, while cumulative returns for the first seven months of 1943 show a gain of almost $8 millions over the same period of a year ago.

Operating revenues for July at $39.8 millions were $6.7 millions above those for July, 1942. Though there was an increase of $5.7 millions in operating expenses, net revenues totalled $8.7 millions as against $7.7 millions in 1942.

Maintain Record Pace

For the first seven months operating revenues showed an advance of $47.7 millions as compared with the corresponding period of 1942. Expenses advanced by $39.9 millions, leaving net revenue at $53.6 millions, or the highest in the history of the system for that particular period.

Net Operating Revenue July

	1943	1942
Oper. revenue	$39,832,000	$33,133,000
Oper. expenses	31,136,000	25,401,000
Net revenue	8,696,000	7,732,000
Seven Months Ended June		
Oper. revenue	$250,316,000	$202,548,000
Oper. expenses	196,685,000	156,797,000
Net revenue	53,631,000	45,751,000

Staff Changes

The Imperial Bank of Canada announces the following staff changes:

H. RILEY, formerly attached inspection department, head office, to be supervisor, head office.

W. E. LEWIS, formerly transfer clerk, head office, to be chief accountant, head office, Toronto, succeeding G. C. FOSTER, who has retired.

J. S. CARTER, formerly manager, Bloor & Durie branch, Toronto, since closed, to be transfer clerk, head office.

F. H. HEWSON, formerly manager, Newmarket, since closed, to be manager, Niagara-on-the-Lake, Ont.

R. H. MONTGOMERY, manager, Niagara-on-the-Lake, to be manager, 1953 Yonge St. branch, Toronto.

J. A. GROSKURTH, manager, 1953 Yonge St. branch, Toronto, to be manager, Dundas & University branch, Toronto.

J. W. THOMSON, manager, Dundas & University branch, Toronto, to be manager, Wellington & Yonge sts. branch, Toronto, succeeding E. N. BATE, who has retired.

Increase Seen In Note Issue

Circulation of Bank of Canada at New High — Total Investments Up

Rise of $3.5 millions in note circulation to a new high record is shown in the statement of the Bank of Canada for the week ended Aug. 25. Total deposits and miscellaneous liabilities were also higher.

These were offset on the credit side by increases in the amount of sterling exchange held by the bank and investments in government bonds. Total assets on the date of the return were up $13 millions at $1,197 millions.

	Aug. 25 1943 $	Aug. 18 1943 $
Capital paid-up	5,000,000	5,000,000
Notes in circltn.	789,508,278	786,075,779
Rest fund	6,472,953	6,472,953
Deposits: Dom.	62,807,047	[illegible],010,304
Banks	303,425,854	292,184,153
Other	14,789,334	21,508,876
Total deposits	381,022,235	372,700,334
All other liabs.	15,714,117	13,769,408
Total liabs.	1,197,717,583	1,184,018,474
Assets		
In Sterling & U.S.	41,259,841	32,203,341
Subsid. coin	256,998	210,967
Investments:		
Dom. govt. sh.	809,971,866	812,201,169
Other Dom. gov.	331,831,959	324,671,363
Total invest.	1,141,803,825	1,136,872,532
Premises	2,104,785	2,104,359
All other assets	12,292,134	12,621,074
Total assets	1,197,717,583	1,184,018,474

Weekly Bank Clearings

	Aug. 26 1943 $	Change year ago %	Aug. 19 1943 $
Halifax	3,806,837	+4.9	4,046,428
Saint John	2,791,888	+24.4	2,638,828
Moncton	1,174,423	+4.1	1,146,138
Sherbrooke	1,049,834	+18.7	1,089,262
Quebec	5,462,124	+9.4	6,012,769
Montreal	143,927,887	+27.9	186,089,164
Ottawa	58,549,004	+31.5	57,640,573
Kingston	809,029	+12.6	773,300
Peterborough	820,077	+7.3	1,004,801
Toronto	131,724,055	+0.9	177,075,191
Hamilton	6,530,763	—9.6	9,627,875
St. Catharines	1,435,125	+16.9	1,784,183
Kitchener	1,302,369	+21.3	1,538,918
Brantford	1,109,140	+16.6	1,182,520
London	2,789,834	+1.8	2,980,169
Chatham	675,688	+33.6	615,846
Windsor	4,031,273	—12.4	4,807,506
Sarnia	783,359	+89.5	891,992
Sudbury	1,060,185	—15.7	1,170,714
Fort William	1,268,255	+8.6	1,193,676
Winnipeg	58,317,763	+61.7	65,355,997
Brandon	567,665	+22.5	619,959
Regina	6,208,263	+51.5	6,858,538
Moose Jaw	897,712	+33.2	1,004,703
Saskatoon	2,115,114	+38.7	2,080,036
Prince Albert	590,823	+14.1	620,390
Edmonton	8,529,748	+41.2	8,877,175
Calgary	9,206,185	+54.7	8,185,384
Lethbridge	867,746	+45.4	911,848
Medicine Hat	507,504	+69.9	417,634
N. W'minster	892,906	—25.9	1,091,410
Vancouver	34,931,993	+27.6	31,708,906
Victoria	2,016,605	+10.7	2,215,521

ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter 1727)
Head Office: EDINBURGH
Branches throughout Scotland
LONDON OFFICES:
3 Bishopsgate, E.C.2
8 West Smithfield, E.C.1
49 Charing Cross, S.W.1
Burlington Gardens, W.1
64 New Bond Street, W.1
Complete Banking Facilities
Associated Banks:
Williams Deacon's Bank Ltd.
Glyn Mills & Co.

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CARRY YOUR MONEY SAFELY
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TRAVELLERS CHEQUES

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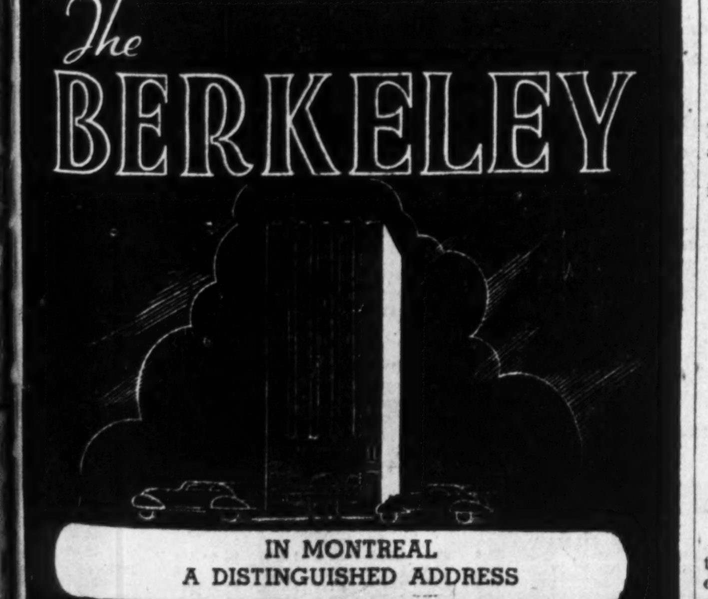
PHONE EL.7271
BRANCHES
MONTREAL WINNIPEG

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
OFFICES
Agency Building - Edmonton, Alta.
221 A 8th Ave. W. - Calgary, Alta.
McCallum-Hill Building - Regina, Sask.
411 Avenue Building - Saskatoon, Sask.

The BERKELEY



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Double Room 6.00
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ENGLISH MIXTURE

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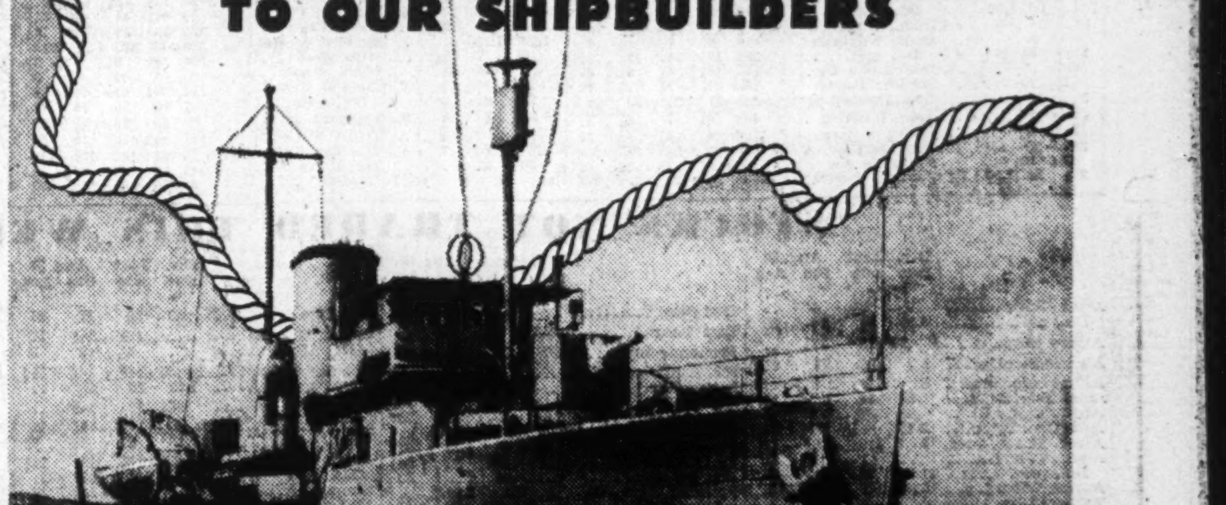
Agency arrangements with Banks throughout the World.

THANKS...
TO OUR SAILORS · TO OUR SHIPS
TO OUR SHIPBUILDERS



A CANADIAN CORVETTE
A great percentage of Canadian R.C.N.V.R.'s are sailing on ships similar to the one pictured above. They come from all parts of Canada. The Western Prairies has sent a particularly large quota. Seaworthy and capable, the men love these staunch little warships.

CANADIAN sailors and Canadian ships are now serving on all the oceans of the world. The Canadian Navy has expanded from 15 ships to 550 since the beginning of the war.

Sixty thousand men (and many women) are now engaged in Canada's shipyards—some on the Atlantic Coast, some on the St. Lawrence and the Great Lakes, others on the Pacific coast. Shipbuilding has become a major Canadian industry.

Back of all this activity in the shipyards is the work of producing parts and materials. Ninety per cent. of the materials and fabricated parts are products of Canada.

At every stage of this long line—from forest and mine to mill ...to the shipyard...to the ship, finished and afloat—the need of bank service is not less than the need for power.

Contractors, lumbermen, miners, riveters, sailors—all classes and in fact all persons use the bank. We are glad to be of service to shipbuilders and sailors participating in Canada's war effort.

IMPERIAL BANK OF CANADA
HEAD OFFICE: TORONTO BRANCHES THROUGHOUT CANADA

THE WEEK'S QUOTATIONS

Montreal and Toronto
Week ending Monday close

Winnipeg and Vancouver
Week ending Saturday close

Quotations here listed are the official stock exchange prices for listed stocks, including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING AUGUST 30

Range 1943 High	Low	Div. R'te $	Aug. 28 Y'ld %		Sales	Last Aug. 23	Week end. Aug. 30 H	L	Cl'se
4.25	.59			Abitibi	4115	2.75	3.50	2.63	2.87
29½	5			Do. pref. 6%	2745	24½	26½	24½	25
55	12½			Do., pf. 7%	65	54	54	52	54
113	110	7	8.8	Agnew Surp. p	10	113	112½	112½	112½
11	8			Algoma Steel c	15	10½	10½	10½	10½
102½	100	5	4.9	Alum. of Can. p	321	102	102	101½	102
133½	105½	8	9.2	Aluminium	1073	110	109½	108	108
25½	21½	1.40	5.6	Asbestos	305	24½	25	24½	25
20	10	1.25	6.6	Assoc. Brew. c	[illegible]				

Range 1943 High	Low	Div. R'te $	Aug. 28 Y'ld %		Sales	Last Aug. 23	Week end. Aug. 30 H	L	Cl'se
90½	47	4		Federal Grain p	25	90½	82	82	82
6½	3½	.25†		Fleet Aircraft	300	4½	4½	4½	4½
22	12			Fleury Bissell p	39	19	20	20	20
24	19½	1	4.3	Ford Motor A	1358	23½	23½	23½	23½
16½	14	1.40	8.8	Foundation Co.	85	15½	15½	15½	15½
20	12½			Fraser Cos.	103	19½	17½	17½	17½
20½	12½			Do. Vot. Tr.	609	17½	17½	17½	17½
11½	7½	.60	6.3	Gatineau Pwr.	185	10	10	9½	9½

Range 1943 High	Low	Div. R'te $	Aug. 28 Y'ld %		Sales	Last Aug. 23	Week end. Aug. 30 H	L	Cl'se
12	6½			Traders Fin. A	100	9	12	12	12
10½	5			Twin City	57	8	8	6½	8
77½	77½	3.50*		Do. pref.	5	..	77½	77½	77½
9	6			Union Gas	545	8½	8½	8½	8½
16	16	.80	5	Un. Amuse. A	20	16	16	16	16
16	16	.80	5	Do. (B)	3	13½	16	16	16
26	20	1.50	6.5	United Corp. A	183	23½	23½	20	23

[illegible]

* Participating. † Interim dividends paid in 1943. ‡ On arrears. § Initial.

Mining Stocks

[illegible]

Oil Stocks

Range 1943 High	Low	Div. Rate	Y'ld	Company	Sales	Last Aug. 23	Week Ending Aug. 30 High	Low	Close
.09	.04½	....	....	Okalta	7,500	.60	.63	.52½	.63
.44	.22	....	....	Pacalta	2,000	.04⅞	.04½	.04½	.04½
		....	....	Pac. Pete.	600	.40	.40	.40	.40
26.50	21.00	1.00	4.2	Royalite	360	23.50	24.12	23.25	24.00
.08	.03¾	....	....	South End	13,500	.05½	.05½	.05	.05½
.12	.08	†.02½	....	Sunset	1,000	.08	.08½	.08½	.08½
.27	.09½	....	....	Vermilata	137,800	.24	.25	.21	.24½
.36	.15	....	....	Vulcan	73	.26	.15	.15	.15

* Yield including bonus. ** Paid in 1942. † Interim paid in 1943.

Volume of Stock Sales

	Montreal Markets Indust.	Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 31	14,700	25,100	575,000	......
Aug. 30	5,600	10,000	438,000	16,975
Aug. 28	7,800	28,900	299,000	7,610
Aug. 27	13,300	26,100	515,000	14,530
Aug. 26	12,600	42,900	444,000	11,400
Aug. 25	9,800	9,300	430,000	7,100

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Aug. 31, 1943

%	Due	Bid	Ask.
5	Oct. 1943	100	101
2	June 1944	100½	101½
1½	Sept. 1944	100	100½
4½	Oct. 1944	103½	104½
2½	Nov. 1944	101	102
4	Oct. 1945	100	100½
2	Mar. 1945	100½	101½
2	Dec. 1946	100	100½
4½	Feb. 1946	106½	107
2½	Mar. 1948	100	101
1½	May 1946	99½	100½
a2½	Jan. 1948	103½	104½
3½	June 1949	102½	103½
3½	Oct. 1949	101½	102½
a3	June 1951	102½	103½
3½	Nov. 1951	103½	104½
3½	Feb. 1952	104	105
3	Oct. 1952	101½	102½
4	Oct. 1952	106	107
a3	Jan. 1953	104½	105½
3	June 1955	100½	101½
a3	Nov. 1956	100½	101½
4½	Nov. 1956	106½	107½
4½	Nov. 1957	107½	108½
a3	Mar. 1954	101½	102½
a3	Jan. 1958	104	105
3	June 1958	99½	100½
4½	Nov. 1958	108½	109½
4½	Nov. 1959	109½	110½
a4	Oct. 1960	110½	111½
a3½	Jan. 1961	106½	107½
3½	June 1966	102½	103½
a3e	Jan. 1967	103½	104½
a3e	Nov. 1968	103½	104½
†3	Perpetual	94½	95½

Dominion Guarant'd Bonds

%	Due	Bid	Ask.
2½	Jan. 1946	100½	101½
3	May 1944	100½	101½
3	Dec. 1950	101	102
3	Jan. 1959	99½	100½
*4½	Sept. 1951	124½	126
4½	Feb. 1956	128½	130½
*4½	July 1957	129½	131½
3	Feb. 1953	100½	101½

%	Due	Bid	Ask.
4½	June 1955	130½	132½
5	Feb. 1954	117½	119½
*5c	July 1969	118½	119½
*5c	Oct. 1969	129½	130½
*5e	Feb. 1970	129½	130½
Can. Nat. W. Ind. S. S.:			
5	Mar. 1955	131½	132½
Grand Trunk Pacific Rly.:			
3	Jan. 1962	110½	111½
Provincial Gov't Bonds			
New Brunswick:			
4	Nov. 1947	113	116
3	Oct. 1951	98½	100½
3½	Aug. 1949	100	102
3½	June 1956	100½	102½
4½	Apr. 1961	121	123
c5	Jan. 1960	127	129
Nova Scotia:			
3	Jan. 1952	99½	101½
3½	June 1956	101	103
3½	Nov. 1950	102½	104½
c4½	Sept. 1952	117½	119½
c4½	Nov. 1960	124½	126½
c5	Mar. 1960	131	133
Ontario:			
2½	May 1955	100	101½
3	Apr. 1948	100½	102½
3	Nov. 1950	99½	101½
3½	Nov. 1951	101	102½
3½	May 1956	101	102½
4	June 1962	124	126
4½	June 1950	108½	110½
*4½	Jan. 1962	130	132
5	Oct. 1948	109½	111½
*5	Dec. 1960	134½	137
Ont. Hydro Commission:			
3	Aug. 1948	100½	102½
3½	Feb. 1953	101	102½
3½	Apr. 1947	103	105
Prince Edward Island:			
4	Mar. 1954	101	103½
Quebec:			
3	Nov. 1947	100½	102½

%	Due	Bid	Ask.
3½	Mar. 1948	100½	[illegible]
3½	Mar. 1959	101	[illegible]
4	Nov. 1952	103	[illegible]
3½	Feb. 1955	102½	[illegible]
4½	Aug. 1958	107½	[illegible]
4½	Jan. 1963	111½	[illegible]
Alberta:			
4½	Oct. 1956	82½	[illegible]
4	Dec. 1954	80½	[illegible]
*5	Oct. 1959	83	[illegible]
c5½	Apr. 1952	84½	[illegible]
6	Mar. 1947	85½	[illegible]
British Columbia:			
4	Dec. 1957	116½	119½
*4½	Jan. 1951	119½	122½
c4½	Oct. 1953	120½	123½
c5	Apr. 1954	123½	126½
5½	Feb. 1945	102½	105½
6	Feb. 1947	106½	109½
Manitoba:			
c4	Dec. 1957	110½	113½
c4½	Dec. 1956	115½	118½
*5	Dec. 1959	120½	123½
5½	Oct. 1955	113	116
6	Apr. 1947	106½	109½
Saskatchewan:			
4	Sept. 1954	90	94
4	Nov. 1960	89	93
c4½	Oct. 1951	101	104
c4½	Mar. 1960	97	100
5	Aug. 1958	98½	101½
5½	Oct. 1952	100	104
6	Mar. 1952	101	105

*-Payable Can., N.Y. & £. c-Payable Can. & N.Y. Payable N.Y. †-Callable [illegible] Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ¢-Calculated to 1950 average maturity. a-Callable on or after earliest maturity shown and payable at maturity at 101.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 31, 1943

Industrial:	Bid	Ask.
Andian National	25½	27
Anglo C. Tel. A.	8½	9½
Atlas Steels, c.	25½	27
Do., pref.	105	108
B. C. Pulp, c.	10½	11½
Do., pfd.	65	75
Barrymore Cl., p.	46	..
B. C. Sugar	72	77
B. C. Tel., p.	115	..
Brown, com.	1½	2½
Do., 6% pfd.	31½	35
Burns & Co., A	9½	10½
Do., B	4½	5½
Canada Tea, p	39	..
Can. Indust., A	160	163
Can. Mach., c.	8	9½
Can. Ing. Rand.	62½	..
Can. Mot. L.A.B.	9	..
Cap. W.-Cloth	5	..
Do., pref.	18½	21½
Col. Realty	3	..
Chase, A. W., p.	16½	20
Colonial Steam.	67	71
Copeland F. un.	15½	18
Corr. Box, c.	3½	..
Dover Ind.	7½	..
Dunlop T., p. $25	23	25
Fed. Grain	4	4½
Do., pref.	81	85
Galt Brass, c.	10	..
Goderich Elev.	10½	..
Guard. Realty, p.	18	21
Guelph Carpet, c.	16	..
Gurney Fdy., p.	2½	..
Hart Battery	5½	..
Hayes Steel, c	15½	..
High. Dairy, pf.	43	50
Inglis, John	8½	10
Ingram & Bell, p.	92	..
Kingst. ship., c.	12	14
Loblaw Inc., c.	12	14
Minn. & Ont., c.	7½	8½
Mt. Royal Htl., c.	3	..

	Bid	Ask.
M'row Screw, p.	100	..
Do., com.	15	..
Moirs, pfd.	40	..
Morrison Br. un.	..	16
Neilson, Wm., c.	10½	..
Do., p.	100	..
N. Meth. Ldy., p.	72	..
Ont. Tobacco, p.	15½	20
Prov. Paper, p.	100	102
River. Silk. B	2	..
Stand. Fuel, p.	63	..
Stedman, pf. $50	54½	57½
Sutton Horsley	.75	1.25
Tor. Carpet, c.	70	..
Do., pref.	71	..
Un. Steel, A, pf.	23½	24½
Viceroy Mfg., c.	12½	..
Do., pref.	20	23
West. Grain, un.	..	35
Trust & Loan Stocks:		
British Mtge.	117	..
Brockville Tr.	44½	..
Capital Trust	30	..
Comm. Fin., c.	7	8
Eastern Tr.	150	..
Grey B. Tr. $50	44	..
Guaranty Trust	102	..
Guelph & O. $50	48	..
Indust. Mtge.	..	30
Lambton Loan	33½	..
Lond. & W. Trust	34½	37
Midland Loan	14	..
Montreal Tr.	65	75
N. S. Trust	142	..
Premier Trust	30	..
Royal Trust	65	75
Sherbrooke Tr.	120	..
Sterling Trust	53	..
Trusts & Guar.	36½	..
Victoria Trust	66	..
Waterloo Trust	100	..
Insurance Stocks:		
Brit. Amer.	51	..

	Bid	Ask.
Canadian Fire	72½	..
Canada Life	327½	..
Confed. 30% pd.	127	..
Continental L.	28	31
Crown Life	252	..
Dominion Fire	134	..
D. of Can. Gen.	130	140
Dom. Life	175	..
Empire, 25% pd.	6	7½
Excelsior 40% pd.	78	..
Great-West Life	240	..
Halifax Fire	15	16
Imperial Life	250	265
Manufac. Life	235	..
Monarch Life	33	35½
Maritime Life	21	..
National Life	8½	10
Sov. L. 25% pd.	15	..
Sun Life	330	350
Tor. General	4½	5½
Western Assce.	45½	47½
Do., pref.	42	..
Western Life	12	..
Investment Trust Shares:		
Deb. & Sec., pf.	73	..
Inv. Found. un.	43½	..
Sec's. Hold., pf.	18½	..
Th. Can. Inv. Tr.	2½	2½
Theatre Stocks:		
Allen's St. Cath. units	65	..
Do., Kingston	64	..
Do., Toronto, p.	35	..
Mansf. Theat., p.	61	..
Para. Kitch., p.	47	..
Do., Oshawa, c.	10	..
Do., Oshawa, p.	81	..
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	102	..
Mtl. Isl. Pwr., p.	44	..
Gt. Lakes Pr., p.	102	..
N. B. Tele.	11½	13½

Unlisted Mines

Toronto, Aug. 31, 1943

	Bid	Ask
Adnaron	.12	.17
Alba River (new)	.09	.11
Algo Cop	.28	.31
Amal Kir	.14	.16
Amal Lar	.47	.50
Amicmica	.42	.46
Ana'que	.11	.13
Area	.12½	.14
Arntfield	.02½	.03

	Bid	Ask
Conti Tin	.18	.20
Crowshore	.03	.06
De Santis (new)	.06½	.08
Dona Pat	.04½	.05½
Eastward	.14	.16
Electra	.07½	.08½
Enter Fi	1.30	1.40
Goodrock	.07½	.08½
C. Lk Iron	.13½	.16

	Bid	Ask
Martin Bir	.06	.06½
Mat Con	.16	.19
Metaldre	..	.16
Moffatt H	.08	.09
Mosher	.11	.12
Moosewoo	.18	.20
McManus	.04½	.05½
McMarma	.14	.15
Nat Mal	.26½	.27½

	Bid	Ask
Pt Coldw	.38	.42
Presdor	.04	.04½
Proprieta	7.60	8.00
Que Mani	.22	.24
Rand Mal	.27½	.29
Raylartic	.15	.18
Rebair	.42	.47
Rhyolite	.02	.02½
Ritoria	.04½	.05½

[illegible]

Oil Royalties
Producing Wells — Prices and Payments

[illegible]

Do., No. 9 dfd.	200	320	184.80	196.40	173.60	934.40	5,100
Miracle No. 1 net	320	300	....	....	....	......	1,500
Do., No. 1 gr.	320	300	79.15	110.51	104.18	5,623.18	3,200
Do., No. 2 pfd.	135	200	113.40	153.37	142.41	5,661.41	5,000
Do., No. 2 gr.	135	200	119.86	87.31	68.04	......	2,500
Miracle No. 3 pfd.	180	200	108.40	77.10	57.69	1,444.77	....
Do., No. 3 gr.	180	...	....	....	....	......	1,600
National Vulcan	150	...	....	186.62	122.83	......	4,400
Twin City No. 2 gr.	180	...	....	....	....	......	2,600
				86.04	93.10	......	....

* Approximately 25% over dealers' bid price. § Approximate ‡ April payments.

Wheat Prices

Winnipeg Grain Futures

Week of August 30, 1943

Crop year from Aug. 1, 1943 High	Low		High for week	Low for week	Close Aug. 30
		Wheat			
1.11½	1.07⅞	Oct.	1.10	1.08⅞	1.08⅞
1.09⅝	1.06¼	Dec.	1.08⅜	1.07⅝	1.07¾
1.11⅞	1.07⅞	Dec.	1.09½	1.08¼	1.08⅜
		Oats*			
.51½	.51½	Oct.	.51½	.51½	.51½
.51½	.51½	Dec.	.51½	.51½	.51½
.51½	.51½	May	.51½	.51½	.51½
		Barley*			
.64¾	.64¾	Oct.	.64¾	.64¾	.64¾
.64¾	.64¾	Dec.	.64¾	.64¾	.64¾
.64¾	.64¾	May	.64¾	.64¾	.64¾
		Rye			
.97⅜	.90¾	Oct.	.97⅜	.94½	.97⅜
.96¾	.90⅜	Dec.	.96¾	.93¾	.96¾
.97½	.92⅛	May	.97⅜	.94⅞	.97⅜

*At ceilings.

Cash Quotations

For Week

Wheat	Aug. 30, 1943 High	Low	Prev. Week High	Low
1 Nor.	1.11⅜	1.10⅞	1.12	1.10
2 Nor.	1.06⅜	1.05½	1.06½	1.05⅛
3 Nor.	1.02	1.01⅜	1.03	1.01⅛
4 Nor.	.97⅛	.96⅜	.98½	.96⅛
5 Wheat	.96⅝	.95⅞	.98	.95⅛
6 Wheat	.96⅜	.95⅛	.96½	.94⅝
Oats:				
2 C. W.	.51½	.51½	.51½	.51½
3 C. W.	.51½	.51½	.51½	.51½
Barley:				
1 Feed	.64¾	.64¾	.64¾	.64¾
2 Feed	.64¾	.64¾	.64¾	.64¾
Rye:				
2 C. W.	.96⅜	.93½	.93½	.91⅛

Significant Investors' Index Numbers

[illegible]

STOCKS NOT TRADED THIS WEEK

[illegible]

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

August 31, 1943

[illegible]

Mining Stocks

[illegible]

Supplementary Stock Quotations

(Furnished by Plaxton, McDonnell & Co., Toronto)

August 31, 1943

[illegible]

Oil Stocks

[illegible]

Corporation Bonds (Cont'd)

[illegible]

Supplementary Bond Quotations

(Supplied by Plaxton, McDonnell & Co., Toronto)

Month-end close and changes from Previous Month-end

Aug. 31, 1943

Miscel. Corp.	Bid	Ask.	Chge.
‡Adel. Peter, 6½%/48	42	45	..
*Adel. Sheppard, 7%/48	29½	32½	+1
Albert Bay 5%/50	61	64	+2
*Algoma Cent. 5%/59	28	31	−9
[illegible]			
Moodie, J. R., 6%/48	89	94	+1
Munic. Bankers (1931)	12	..	..
Nat. Utilities, 6%/48	70	..	..
Ont. Building, 3%/43	43	..	−2
Oshawa Bldg., 3-4%/53	68	46½	−½
Prince Ed. Hotel 4%/47	40½	..	..
‡Prof. Offices, 7%/33-45	54	..	+2
Richmond Bay, 6½%/47	98½	58½	..
‡Richmond Bldg., 7%/47	10½	101	..
*St. Cath. Stan., 5%/57	64	14	..
Staveley Apts., 2½%/49	62	..	+2
‡Stk. Exch. Bldg., Vanc., 6%/44	47	..	..
Township Sandwich W.	29½	32½	−½
‡Trinity Bldg., 4%/52	11	14½	..
United Steel, 5%/56	101	103	..
Vanc. Georg. H. 6%/47	88	93	..
‡Wel'nton Bldg., 6½% ser.	61	65	..
West. Grn., 5% new bds.	80½	84½	−2
Wind. Court Apt. 3%/56	50½	54	..
W'nipeg El. cont. certs.	36½	40	+3½
York St. Bldg., 6%/43	88	93	..

*Issue carries arrears of interest. ‡Currently paying on interest arrears.

Investment Trusts

	Bid	Asked
Affiliated Funds	3.15	3.45
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	3.75	4.10
Can. Investors	5.50	6.50
Corp. Investors	6.30	6.80
Trans-Canada	11.20	12.10

Annual Meetings

1943:	Company	Place
Sept. 2	Agnew-Surpass Shoe	Brantford
Sept. 3	Dairy Corporation	Toronto
Sept. 8	Loblaw Groceterias	Toronto
Sept. 27	Paymaster Consol.	S. Porcupine
Sept. 28	Tooke Bros.*	Montreal

*Special.

Drilling Wells

Well:	Drilling depth ft	Offering price per 1%
Maryland Pete. pfd.	8,723	$3,200
Major Oil No. 6 pfd.	8,024	3,100
Major Oil No. 6 gr.	8,024	6,000

Municipal Bonds

August 31, 1943

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	116.00	119.00	3.56
Hamilton	5	1950	111.00	114.00	2.72
Montreal	5	1945	98.00	102.00	*
Ottawa	4½	1945	103.00	104.50	2.07
†Quebec	5	[illegible]			

[illegible]

Dividends Declared

	This payment $	Date payable	Date of record
Alum. of Can., pfd.	1.25	Nov. 1	Oct. 1
Aluminium	2	Sept. 5	Aug. 12
Agnew Surpass, pf.	1.75	Oct. 1	Aug. 31
American Cyanamid	†.15	Oct. 1	Sept. 11
Do., pfd.	†.12½	Oct. 1	Sept. 11
Asbestos	.20+.10	Sept. 30	Sept. 1
Assoc. Brew.	.25	Sept. 30	Aug. 31
Do., pref.	1.75	Oct. 1	Aug. 31
Bell Telephone	2	Oct. 15	Sept. 23
Brazilian Tr. pf.	1.50	Oct 1	Sept. 15
B.C. Elec. Pr. pf.	1.50	Oct. 1	Sept. 20
B.C. Power (A)	.50	Oct. 15	Sept. 30
Bank of Nova Scotia	2.50	Oct. 1	Sept 15
Barber Ellis, c.	.12½	Sept. 15	Aug. 31
Bruck S. Mills	.10	Sept. 15	Aug. 13
Broulan Porc.	.03	Sept. 30	Aug. 31
Belding Cort.	1	Oct. 1	Aug. 31
Do., pref.	1.75	Oct. 1	Aug. 31
B. C. Packers	.75	Sept. 15	Aug. 31
Bright, T. G. pf.	1.50	Sept. 15	Aug. 31
Burlington Steel	.15	Oct. 1	Sept. 10
Calgary & Ed.▪	.05	Oct. 15	Sept. 11
Canada Cement, pf.	1.25	Sept. 20	Aug. 25
Can. Crush. Stone	.10	Sept. 15	Sept. 1
Canada Dry	†.15	Sept. 9	Aug. 26
Can. Foundries A	.37½	Sept. 15	Sept. 1
Canada Malting	.50	Sept. 15	Aug. 16
Can. Nor. Power	▪.15	Oct. 25	Sept. 20
Do., pref.	▪1.75	Oct. 15	Sept. 20
Can. Perm. Mtge., c.	2.00	Oct. 1	Sept. 15
Can. W. & C. C.A.	1.00	Sept. 15	Aug. 31
Do., C.B.	.25	Sept. 15	Aug. 31
Do., pf.	1.62½	Sept. 15	Aug. 31
Canada Packers	1	Oct. 1	Sept. 1
Can. Steamships, c.	.50	Oct. 1	Sept. 1
Can. Canners	12½	Oct. 1	Sept. 15
Do., 1st pf.	.25+.05	Oct. 1	Sept. 15
Do., 2nd pf.	.15+.05	Oct. 1	Sept. 15
Canadian Car pf.	.52	Oct. 11	Sept. 21
Canada Cycle	.30	Sept. 30	Sept. 10
Do., pref.	1.25	Sept. 30	Sept. 10
Do., pfd.	1.25	Sept. 30	Sept. 10
Can. Cottons	1.00	Oct. 1	Sept. 3
Do., pfd.	1.50	Oct. 1	Sept. 3
Can. Food Prod.	.50	Oct. 1	Sept. 15
Can. Industries	1.25	Oct. 30	Sept. 30
Do., 7% pf.	1.75	Oct. 30	Sept. 30
Can. Gen. Elec.	.2	Oct. 1	Sept. 13
Can. For. Invest. c.	▪1.30	Nov. 1	Oct. 1
Can. For. Inv., pf.	▪2	Oct. 1	Sept. 1
Can. Ingersoll-R., c.	.75	Sept. 4	....
Can. Breweries, pf.	.85	Oct. 1	Aug. 16
Can. Westinghouse▪	.50	Oct. 1	Sept. 13
Central Patricia	.03	Sept. 30	Aug. 31
Can. Wire Box A	.37½	Oct. 1	Sept. 10
David & Frere A	.25	Sept. 30	Sept. 15
Dairy Corp.	1.25	Oct. 1	Sept. 15
Distillers Corp.	.55½	Sept. 15	Sept. 1
Do., pfd	†1.25	Nov. 1	Oct. 15
Dominion Stores	.10	Sept. 20	Aug. 25
Dominion Tar	1.37½	Nov. 1	Oct. 1
Dominion Textile	1.25	Oct. 1	Sept. 3
Do., pfd.	1.75	Oct. 15	Sept. 15
Dome Mines	▪.40	Oct. 30	Sept. 30
Dom. Foundries, c.	.35	Oct. 1	Sept. 10
Dom. Glass	1.25	Oct. 15	Sept. 27
Do., pf.	1.75	Oct. 15	Sept. 27
Eng. Electric	.25	Sept. 15	Aug. 31
Economic Invest., c.	.62½	Oct. 1	Sept. 1
Fanny Farmer, c.	†.37½	Oct. 1	Sept. 11
Federal Pet., c.	.01½	Sept. 28	Aug. 31
Ford of Can. c. A, B	.25	Sept. 18	Aug. 28
Four Star Pete., c.	.01	Sept. 28	Aug. 31
Famous Players	.25	Oct. 1	Sept. 15
Foundation Co.	.35	Oct. 22	Sept. 30
Gatineau Power	.15	Sept. 30	Sept. 1
Do., 5% pfd.	1.25	Oct. 1	Sept. 1
Do., 5½% pfd.	1.37	Oct. 1	Sept. 1
Gen. St. Wares c.	.25	Sept. 20	Aug. 23
Gt. West. Sadd. pf.	.75	Oct. 5	Sept. 4
Do., 2nd pref.	.75	Oct. 5	Sept. 4
Gt. L. Paper A pf.	.25	Oct. 1	Sept. 1
Greening Wire	.15	Oct. 1	Sept. 1
Ham. Cotton, pfd.	.50	Oct. 1	Sept. 15
Ham. Un. Theat., p.	1.25	Sept. 30	Sept. 15
Hollinger, c.	.05	Sept. 9	Aug. 26
Hinde & Dauch	.25	Oct. 1	Sept. 4
Holt Renfrew pf.	3.50	Sept. 15	Sept. 1
Humberstone Shoe	.75	Oct. 7	Sept. 15
Imperial Tob.	.10	Sept. 30	Sept. 14
Do., pf.	3%	Sept. 30	Sept. 14
Inter City Bak. c	.75	Sept. 30	Sept. 14
Inter. Bronze	.20	Oct. 15	Sept. 15
Do., pf.	.37½	Oct. 15	Sept. 15
Intern. Metal A	.25	Oct. 1	Sept. 15
Do., pref. A pf.	1.50	Nov. 1	Oct. 15
Intern. Power pf.	1.75	Oct. 1	Sept. 10
Inter. Nickel, com.	†.50	Sept. 30	Aug. 31
Invest. Found.	.75	Oct. 15	Sept. 15
Indust. Accept. pf.	1.25	Sept. 30	Sept. 1
Jam. Pub. Serv.	.17	Oct. 1	Aug. 31
Do., pfd.	▴1.75	Oct. 1	Aug. 31
Lake Shore Mines	.20	Sept. 15	Aug. 16
Lamaque Gold	.10+.10	Oct. 1	Aug. 31
Langley's pref.	▪.50	Sep. 11	Sep. 3
Do.	▪.50	Dec. 11	Dec. 3
Landed Banking	1	Oct. 1	Sept. 15
Macassa	.06	Sept. 15	Aug. 31
Maritime Tele.	.17½	Oct. 15	Sept. 20
Do., pf.	.17½	Oct. 15	Sept. 20
Mackinnon S., p/d	1.25	Sept. 15	Aug. 31
McKenzie R. L.	.02½	Sept. 17	Sept. 1
Modern Contain.	.30	Oct. 1	Sept. 20
Do., pref.	1.37½	Oct. 1	Sept. 20
Montreal Loan	.31¼	Sept. 15	Aug. 31
Massey Harris pfd	.62½	Sept. 15	Aug. 14
Moore Corp.	.55½	Oct. 1	Sept. 8
Do., A. B. pref.	†1.75	Oct. 1	Sept. 8
Mont. Cottons 7% p.	1.75	Sept. 15	Aug. 16
Mont. Cottons, c.,	1.00	Sept. 15	Aug. 16
Murphy Paint	.20	Oct. 1	Sept. 10
Do., pref.	1.37½	Oct. 1	Sept. 10
National Grocers, p.	.37½	Oct. 1	Sept. 1
National Brew.	.50	Oct. 1	Sept. 3
Do., pref.	.44	Oct. 1	Sept. 3
Nat. Steel Car.	1	Oct. 15	Sept. 15
Niagara W. Weav.	.25	Oct. 1	Sept. 8
Noranda Mines	1	Sept. 15	Aug. 13
N. S. L. & Pwr. ord.	1.50	Oct. 1	Sept. 15
Ogilvie Flour	.25	Oct. 1	Aug. 30
Ont. Steel Prod.	.25	Nov. 15	Oct. 15
Do., pref.	1.75	Nov. 15	Oct. 15
Ottawa Elec. Rly.	.50	Oct. 1	Sept. 1
Ottawa L. Pr.	.15	Oct. 1	July 9
Do., pref.	1.25	Oct. 1	July 9
Page-Hersey, c.	1.25	Oct. 1	Sept. 15
Paton Manfg Co.	1	Sept. 15	Aug. 31
Do., pref.	1.75	Sept. 15	Aug. 31
Perron Gold	▪.02	Sept. 30	Aug. 31
Photo Engravers, c.	.25	Oct. 1	Sept. 15
Pressed Metals	†.25	Oct. 1	Sept. 1
Preston E. D., c.	.05	Oct. 15	Sept. 15
Price Bros., pf.	1.37½	Oct. 1	Aug. 30
Proprietary Mines	.05	Sept. 8	Aug. 9
Power Corp., pfd.	▪1.50	Oct. 15	Sept. 20
Do., 2nd pfd.	▪.75	Oct. 15	Sept. 20
Regent Knit. c.	.25	Oct. 15	Sept. 15
Do., pref.	.40	Dec. 1	Nov. 2
Reliance Grain, p.	1.62½	Sept. 15	Aug. 31
Do., pref.	1.50	Sept. 1	Aug. 16
Royal Bank	1.50	Sept. 1	July 31
Royal Crest., c.	.01	Sept. 28	Aug. 31
Russell Ind.	.20	Sept. 30	Sept. 10
Do., pref.	1.75	Sept. 30	Sept. 10
Siscoe Gold	.01½	Sept. 15	Aug. 12
Silverwood D.	.20	Oct. 1	Aug. 31
Do., pref.	.20	Oct. 1	Aug. 31
South Can. Pwr. pd.	▪1.50	Oct. 15	Sept. 20
Stand. Fuel. pfd.	1	Oct. 1	Sept. 15
Do., arrears	1	Oct. 1	Sept. 15
Stedman	.15	Oct. 1	Sept. 20
Do., pf.	.75	Oct. 1	Sept. 20
Smith H. Paper, pf.	1.50	Oct. 20	Sept. 30
Simon & Sons	.15	Sept. 30	Sept. 8
Do., pref.	1.75	Sept. 30	Sept. 8
Sunset Oils	▪.01	Sept. 15	Sept. 1
Sylvanite, c.	.03	Oct. 15	Sept. 1
Tamblyn, G.	.20	Oct. 1	Sept. 10
Do., pref.	.62½	Oct. 1	Sept. 10
Teck-Hughes Gold	▪.10	Oct. 1	Aug. 31
Tip Top Tailors	.07½	Oct. 1	Sept. 1
Do., pfd.	1.75	Oct. 1	Sept. 1
Toronto Elev., p.	.65½	Sept. 7	Aug. 24
United Fuel A	.75	Oct. 1	Sept. 10
Vulcan-Brown, c.	.01	Sept. 28	Aug. 31
Waite Amulet	.20	Sept. 10	Aug. 10
Wr.-Hargreaves	.07½	Oct. 1	Aug. 26
Walker H. Good	1	Sept. 15	Aug. 13
Do., pref.	.25	Sept. 15	Aug. 13
Weston Geo., c.	.20	Oct. 1	Sept. 4
Wilsil	.25	Oct. 1	Sept. 1

†N. Y. funds. ▪Subject to approval of Foreign Exchange Control Board.
▴Subject to Jamaican Inc. Tax (30%).

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$11.96	$12.32	$9.92
Hogs	16.86	16.85	16.38
Copper, lb.	*.12	.12	.12
Cotton, lb.	.2113	.2083	.1973
Sugar, raw. lb.	*.0374	.0374	.0374
Wheat, Man. (bu.)	1.11¼	1.10½	.89⅜
Coffee, lb.	*.09⅜	.09⅜	.09⅜
Hides	*.15½	.15½	.15½
Weekly Indices			
U. S. Labor	102.8	102.7	98.9
Dow Jones (fut.)	93.21	92.35	84.77
Fishers	110.4	110.5	107.2
Monthly Indices			
Canada (D.B.S.):			
Retail (July)	118.8	118.5	117.9
W'sale (July)	100.1	99.5	96.0
U. S. (June)	103.8	104.1	98.6
Gt. Brit. (June)	163.1	163.3	159.8

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price Toronto. Copper - electrolytic, New York, No. 7 coffee. Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Cotton, raw, spot, N.Y.

*Ceiling prices fixed by the office of Price Administration.

DIVIDEND NOTICES

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of the Company have declared a dividend of Thirty-Seven and one half cents (37½c) on account of arrears on the Class "A" shares of the Company, payable October 1st, 1943, to shareholders of record the close of business Sept. 10th, 1943.

By order of the Board.

F. H. ELLIS, Secretary.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN THAT a Quarterly Dividend (No. 60) of 1¾% upon the outstanding Preferred shares of the Company has been declared payable on the First day of October, 1943, to Shareholders of record at the close of business on the Thirty-first day of August, 1943.

NOTICE IS ALSO GIVEN THAT a Quarterly Dividend (No. 57) of Twenty Five Cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared payable on the Thirtieth day of September, 1943, to Shareholders of record at the close of business on the Thirty-first day of August, 1943.

By order of the Board.

I. N. WILSON, Treasurer.

Calgary, Alberta, August 26th, 1943.

Associated Breweries of Canada Limited

Notice to Holders of Preferred Shares

NOTICE IS HEREBY GIVEN THAT for the purpose of carrying out the redemption of all of the outstanding issue of Preferred Shares of this Company and pursuant to Resolution of the Board of Directors and to the provisions of the Companies Act, 1934, the register of transfers of Preferred Shares will be closed on the close of business on the 30th day of September, 1943.

Dated at Calgary, Alberta, this 26th day of August, 1943.

On behalf of the Board,

I. N. WILSON, Treasurer.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of Two Dollars per share has been declared payable on the 15th day of October, 1943, to shareholders of record at the close of business on the 23rd of September, 1943.

G. H. ROGERS, Secretary.

Montreal, August 25, 1943.

The Murphy Paint Company Limited

The following quarterly dividends have been declared by the Board of Directors payable on 1st October, 1943, to shareholders of record at the close of business on the 10th day of September, 1943.

Preferred Stock—1⅜% (being at the rate of 5½% per annum).

Common Stock—Twenty cents (.20) per share on the No Par Value shares.

P. L. TOD, Secretary.

Montreal, 26th August, 1943.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of two dollars per share for the quarter ending September 30, 1943, has been declared on the Common Stock of the Company.

That the above dividend is payable October 1, 1943, to shareholders of record at the close of business September 1, 1943.

By Order of the Board.

W. H. NESBITT, Secretary.

Toronto, August 27, 1943.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a Dividend of thirty-five (35c) cents per share for the Quarter ending September 30, 1943, has been declared on the No Par Value Common Stock of the Company, payable October 22, 1943, to Shareholders of record at the close of business on September 30, 1943.

By Order of the Board.

H. C. LINK, Assistant Secretary.

Montreal, August 26, 1943.

Canada Steamship Lines Limited

A Dividend of fifty cents (50c) per share on the no par value common shares of the company for the six months period ending June 30, 1943, was declared payable October 1, 1943, to shareholders of record September 1, 1943. Dated at Montreal this 26th day of August, 1943.

R. BROCK THOMSON, Secretary.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of September, 1943.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of September, 1943.

The above Dividends will be paid on Friday, the 15th day of October, 1943, to shareholders of record at the close of business Monday, the 27th day of September, 1943.

By Order of the Board.

MERVYN OFFER, Secretary.

Montreal, 23rd August, 1943.

Winnipeg Wheat Markets

Coarse Grain Deliveries Heavy

Needed for Livestock — Farmers Prefer to Hold Wheat

From Our Own Correspondent

WINNIPEG. — During August, western farmers delivered to country elevators slightly over 10 million bushels of wheat and over 17 million bushels of coarse grains. The quantities include some new crop but the bulk of deliveries would be old crop grain.

Preponderance of coarse grains over wheat is to some extent due to heavier shipments of the former for a time, to supply requirements of eastern Canada, and some urgent orders from the United States for feed grains. Elevators are filled up again with the type of grain shipped out, because of the allocation of space within the elevators.

Clear More Space

To some extent also farmers are showing a preference for the marketing of coarse grains as compared with wheat. Disposing of the former because of their lighter weight and lower price per bushel, means clearing out more bin space on farms as compared with an equal value in wheat.

Then, too, farmers know that oats and barley are at ceiling prices and that no advance in price is to be expected from holding them back. With wheat, however, there is hope that higher prices may be recorded later in the year and consequently stocks of wheat are the more willingly held on farms.

Shipments to California

George McIvor, chairman of the Canadian Wheat Board, has been at Vancouver arranging for extensive shipments of wheat from Vancouver to California for feeding purposes. It is hoped some of this may be shipped by water, if barges can be made available and the Vancouver elevators would then be filled up in turn with wheat shipped by rail from the prairies. One of the curious features of the current wheat market is the fact that No. 1 hard wheat is quoted at a discount of two cents per bushel under No. 1 northern, in spite of the fact that the former is the higher grade and might be expected to command a premium of a couple of cents a bushel.

No. 1 Hard Scarce

There are only small quantities of No. 1 hard available for shipment and overseas buyers do not find it worth while to specify it instead of the No. 1 northern which can be ordered in large quantities. The No. 1 hard cannot be put in with No. 1 northern for shipping purposes, as the anti-mixing regulations of the Canada Grain Act require that top grades of wheat shall be kept and handled separately.

The Business Of Farming

By GORDON L. SMITH

To anyone who is fairly familiar with agricultural conditions in Canada and Europe, some of the stories of the postwar possibilities of army jeeps and similar vehicles sound rather fanciful. One enthusiastic writer recently predicted that "the fire sale of such army equipment after the war would revolutionise world agriculture and set the European peasant on the way to complete mechanization. This writer referred to the wonderful change in Western European agriculture following the wide sale of army mules after the first Great War.

* * *

Specialized Business

These enthusiasts seem to overlook the fact that farming even in Europe is a very specialized business and requires specialized equipment. Machinery is built for the farmer to do a certain job; tractors of various power to plow, trucks to carry different types of loads, combines for harvesting grain and field seeds, sprayers to protect fruit and a wide range of cultivators specially designed to handle specific crops.

Into that picture it is difficult to find a wide and permanent place for equipment built specially to meet army conditions.

This does not mean that farmers, both European and American, may not buy a lot of surplus army jeeps after the war, if the price is low enough. Like the mules, local farmers will be able to use them until supplies of regular farm equipment become available. But also like the mule, which leaves no descendants, it is quite possible that once the original fire sale is over there will be little repeat business for the army jeep.

Before the first Great War the peasants of France and Belgium had their own farm horses, many of them excellently bred, massive Percherons and Belgians which would have been a credit to the most modern farm in Canada. During the war the bulk of these animals were sacrificed, commandeered for army use. Until new commercial stock could be developed from the small breeding nucleus retained during the war, the discarded army mule filled in the gap nicely.

The jeep may fill the bill this time, but it is a very expensive vehicle costing the military as much as the most expensive of automobiles. The secondhand price will have to come down a long, long way.

* * *

No Wide Place

As a substitute for the station wagon, light delivery truck or a riding horse there is some permanent possibility for a jeep-like vehicle. Certainly an army jeep might be a useful form of transportation for some large farm or ranch overseer who wanted to get over rough ground in a hurry. But these jobs are rare. For plowing, cultivating, or stationary power work like threshing, silo filling or wood cutting, the specially built tractor with a power take-off would seem to be the much more practical equipment. And for carrying loads, certainly regular trucks in various sizes would seem much more economical. The jeep, with the addition of a power take-off, a larger body and a special transmission, could be adapted to these common farm jobs but it is exceedingly doubtful whether it would be as satisfactory as the special farm equipment. As a valuable fill in until the war factories again turned to tools of peace it might be adapted to large scale temporary farm use but as a permanent fixture, that would seem doubtful.

* * *

Salvage Army Equipment

Another bit of army equipment, in which farmers are interested are barracks and other buildings. Millions of feet of lumber, and wall board and huge quantities of plumbing, electrical and heating equipment have gone into these structures. Problem of disposal without disastrous disturbance to the established trade, is not one to be solved easily. However, from the farm standpoint there are some special considerations.

In some instances a deal might be more in the nature of a salvage proposition rather than a commercial sale. Temporary war structures, for instance, might be moved to nearby farms and serve as poultry houses or hog pens or be partially dismantled and transported longer distances for the same purpose. More elaborate equipment might be used for equipping farm buildings which, because of economic or geographic conditions, would not likely otherwise be able to afford such installations.

DIVIDEND NOTICES

The Ontario Loan & Debenture Company

225th DIVIDEND

Notice is hereby given that a Quarterly Dividend of $1.25 per share for the current quarter ending 30th September, 1943, has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on the 1st October, 1943, to Shareholders of record at the close of business on the 15th September, 1943.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 31st August, 1943.

Canadian Westinghouse Company, Limited

DIVIDEND NOTICE

Notice is hereby given that at a meeting of the Board of Directors of this Company, held August 25th, 1943, a dividend of fifty cents (50c) per share was declared upon the outstanding Capital Stock of the Company, payable October 1st, 1943, subject to the regulations of the Foreign Exchange Control Board of the Dominion Government, to Shareholders of record September 15th, 1943.

Cheques will be mailed to Shareholders.

By order of the Board,

W. E. SPRAGUE, Secretary.

Hamilton, Canada, August 30th, 1943.

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT, on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

Friday, the First Day of October

next, to Shareholders of record at the close of business on the Fifteenth day of September 1943.

By order of the Board.

Walter F. Watkins, Secretary.

Toronto, August 18th, 1943.

Quebec Sets Up 1942-3 Surplus

Income and Expenses for Year Highest in Province's History

From Our Own Correspondent

MONTREAL.—Quebec reports an over-all surplus of $870,876 for the fiscal year ending Mar. 31, 1943. This contrasts with a surplus of $1,988,258 in the preceding year.

Ordinary revenue of the province in the last fiscal year was $92,770,109, the highest revenue in the history of the province and slightly less than $1 million greater than the previous year.

Ordinary expenditures in 1942-43 totalled $80 millions and outlay on capital account $11.8 millions, making a total of $91.9 millions. The year before, expenditures totalled $90 millions.

Decline in Debt

Gross funded debt of the province as of Mar. 31, 1942, as given in the public accounts, was $386.6 millions. The sinking fund was then $39.4 millions. There were $11.4 millions of deferred payments on the issue to Banque Canadienne Nationale, and $2.7 millions of sinking fund of the Farm Credit Bureau, making for consolidated net debt of $302.9 millions.

As of Mar. 31 last, net funded debt was given as $334.6 millions. However, it includes an amount of $2.2 millions of the debt of the special school, which was turned from an indirect to a direct debt.

These figures do not include temporary loans and deposits. This item is much the same for the past two years, the total being $30.3 millions as of Mar. 31, 1942, and $29.3 millions for Mar. 31, 1943.

Fewer Treasury Bills

It is noted that treasury bills outstanding as of Mar. 31, 1943, were $16 millions, whereas at the end of the previous year they totalled $25.5 millions.

This improvement in the position of the government debt, however, is overcome by the fact that the government assumed the liabilities of the Sulpicians amounting to $4 millions as a direct liability, and also took over the liabilities of the Lake St. Louis Bridge Corp. as a direct liability, this amount being $2.9 millions.

Associated Breweries Calls Preferred Stock

From Our Own Correspondent

MONTREAL.—Associated Breweries of Canada Ltd. will redeem the entire balance of its outstanding 7% preferred stock on Sept. 30.

At the end of last year there were 6,139 shares outstanding. As the stock is callable at 110, $675,290 will be needed to retire the issue.

Indications are the company will handle the redemption with its own resources. At Dec. 31, last, net working capital totalled $1,729,633.

In connection with the forthcoming redemption, the company has announced that the register of transfers of preferred shares will be closed at the close of business on Sept. 30.

Fairchild Tests New 'Helldiver'

From Our Own Correspondent

MONTREAL.—Fairchild Aircraft Ltd. has completed and successfully tested the first "Helldiver" dive bomber built by the firm for the United States Navy.

Officials of the company reported the U.S. Navy representatives present at the test flight declared they were entirely satisfied with the ship's performance.

The company carried out one of the quickest tool changeovers in the history of the Canadian aircraft industry to meet the scheduled date for the first flight. The company's Bolingbroke bomber production remained unchanged while the tooling up for "Helldivers" was in process. And when the Bolingbroke contract is completed this month, the entire Fairchild plant will be turned over to the production of the Navy dive bomber.

The "Helldivers" are also being produced by Canadian Car & Foundry Ltd. at Fort William and the first machine at that plant had its test flight a month ago.

Company Reports

Great Lakes Paper

Interim statement of Great Lakes Paper showed a drop in estimated net profits of more than 50%, as compared with the same period in 1942. The statement is subject to later audit, year end adjustment of levies paid to Commodity Prices Stabilization Fund and also to final determination of excess profits taxes by the Department of National Revenue.

Earnings Statement—Six Months Ended June 30

	1943 $	1942 $
Oper. profit	1,023,667	1,264,763
Less: Interest	125,925	148,425
Depreciation	318,000	306,000
Pay. to Comm Prices Stabil. Fund	263,727	......
Income & E.P. tax	128,000	405,000
Net profit	188,015	405,338

Can. Breweries

Quarterly report of Canadian Breweries for three months, ended July 31, 1943, third quarter of the company's current fiscal year, shows a moderate increase in net profits, and a substantial improvement in working capital following retirement of old and issuing of new debentures.

Income taxes shown are net after deduction of the refundable portion of the excess profits tax. The company's liquid position shows a material improvement over that at July 31, 1942. Net working capital has more than doubled and bank loans amounting to more than $1.2 millions a year ago have been entirely repaid. This improvement follows redemption of $1.5 millions of old debentures and issue of new to the amount of $3 millions at interest rates of from 3% to 4½%.

Income Account—3 Months Ended July 31

	1943	1942
Operating profit	$1,055,314	$841,107
Add: Other income	11,811	15,495
Net earnings	1,067,125	856,602
Less: Interest	40,014	31,350
Depreciation	134,885	136,094
Income tax	*606,000	415,000
Min. int. in profits	4,839	13,663
Net profit	281,387	260,495
Working capital	$3,776,414	$1,865,861

*After deducting ref. E. P. tax.

Ship Canadian Wheat to U. S. Pacific States

Commodity Credit Corp. Purchases 130,000 bu. for Livestock Feed

From Our Own Correspondent

VANCOUVER—Considerable significance is attached to the shipment by barge of 130,000 bushels of Canadian wheat from this port to Pacific coast states.

The shipment was the first to be made by that particular method and it represented the first diversion of Vancouver grain supplies to the United States in years. The understanding is that a considerable volume of No. 3 wheat will move in the near future under similar conditions. The wheat will be used to feed livestock in the state of Washington.

Rail Order Placed

The grain was purchased by the U. S. Commodity Credit Corp. and the deal was handled here by Vernon Lester, representing Kerr, Gifford & Co. Inc..

It is understood that, in addition to the water shipment, an order has been placed for 500,000 bushels for delivery by rail and that about one third of this order has already rolled south.

Bathurst Net Registers Gain

Second Quarter Profit Up, But Still Under Returns for Last Year

From Our Own Correspondent

MONTREAL. — Reversing the trend shown in the first quarter, Bathurst Power & Paper Co. reports an appreciable gain in earnings during the second quarter, though still under the like period of 1942.

Subject to audit and year-end adjustment, net profits in the three months ended June totalled $256,600, as against $456,192 a year ago and $117,739 in the first quarter of 1943.

Taking taxes at 40%, the rate the company states has been tentatively provided, second quarter net earnings equalled 38½ cents a share on the A stock. This contrasts with 17½ cents in the first quarter and 68 cents a share in the second quarter last year.

For the first half of the current year, profits before taxes totalled $374,399, against $881,282 a year ago. This indicated profits of 56 cents a share on the A stock, as against $1.32.

The company statement further shows an improvement in net working capital, while with regard to income and excess profits taxes it is said "the final liability for such taxes is uncertain, and an adjustment may be necessary before or at the end of the year."

	1943	1942
Quarter Ended June 30		
Profits (a)	$256,660	$456,192
Est. taxes	102,664	182,477
Net profit	153,996	273,715
Earned on "A"	38½c	68c
Six Months Ended June 30		
Profits (a)	$374,399	$881,282
Est. taxes	149,760	352,513
Net profit	224,639	528,769
Earned on "A"	56c	$1.32

(a) After depreciation and depletion, but before providing for Dominion income and excess profits taxes. Figures subject to audit and year-end adjustment.

Note: The company has issued the figures showing the profits for the first quarter and the half-year. The estimated taxes, net profit and earnings per share are deducted therefrom, as well as the figures for the current quarter.

Figures showing financial position compare as follows:

	1943 June 30	1942 Mar. 31	1941 June 30
Cash and marketable securities	1,767,134	1,451,237	1,673,130
Total current assets	5,340,881	5,134,374	5,049,605
Curr. liab.	764,906	878,859	1,072,982
Net w. cap.	4,575,975	4,255,515	3,976,623

Employee Ideas Score at Martin

We present the following report from Glenn L. Martin Co., makers of the famed B-26 "Marauder" and other fighter aircraft, as an indication of the vast amount of technical progress that is being achieved behind the scenes of industry. All the devices mentioned brought rewards to the inventors under the Martin profit-sharing patent plan.

James A. Porter, worker in the body department, who developed a "round-the-corner" riveter adapted for use in hard-to-get-at spots which are not easily reached with the orthodox straight riveter; Hermann E. Veit, formerly in tool design and now in engineering, who perfected a device for dimpling airplane skins without stretching or distorting the metal around the dimple, or leaving fractures around the hole; William J. Turnbull, contract administration, who devised a two-piece plastic control handle for gun turrets, containing the firing switches, the controls for swinging the guns in elevation and azimuth, and the safety switch; and Leslie T. Miller, power plant engineer, who created an oil temperature control valve which regulates the temperature of oil entering an airplane engine.

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Kerr Still Turns Up New Ore

But Reduction of Staff by Nearly Half Cuts Work

Canada's biggest new gold mine of the last decade—Kerr-Addison Gold Mines—continues to turn up important new ore showings despite a decline in its mine payroll to 380 from the usual 650 to 700.

Among the more significant developments have been:

Indication by diamond drilling of a likely expansion of the present ore showings at the 1,450-ft. level which already total 11,000 tons to the vertical foot grading 0.25 oz. gold;

Opening up of particularly high-grade ore in the new No. 6 structure at the 1,450-ft. level with the structure apparently apexing above the 1,300-ft. level;

Development of a new ore body north of the main west drift at the 850-ft. level with a crosscut showing 0.689 oz. grade over a 47-ft. width.

How Ore Distributed

Breakdown of ore already outlined at the 1,450-ft. horizon shows:

Ore Body:	Length ft.	Width ft.	Grade oz.	Indicated tons to ft.
No. 21 ...	1,285	39.4	0.274	4,608
No. 14 ...	580	67.0	0.193	3,018
No. 16 ...	480	44.7	0.341	1,950
No. 6 ...	260	...	0.306	1,400

There still remains to be blocked out at this level the Nos. 8, 9, 10, 15, 18 and 19 ore bodies. A further extension to the west of the No. 16 ore body is also indicated. Horizontal drilling to the north in the east section of the mine has returned ore intersections of strong interest in the Nos. 18 and 19 ore bodies. It is noteworthy that the latter have shown persistent improvement at depth and have returned substantial tonnages of ore at the 1,000, 1,150 and 1,300-ft. levels.

Open No. 6 for 260 Ft.

The new No. 6 structure to the west at the 1,450-ft. level is located along the regional fault plane with the ore body occurring between a converging fault from the west. It has been disclosed by close interval diamond drilling for an east-west length of 260 ft. with maximum width running 80 ft. Uncut grade runs 0.4644 oz. gold per ton.

The ore structure is in mineralized flows similar to the No. 21 ore body, with sampling showing regular gold content with few high erratics. The converging fault planes apex above the 1,300-ft. level. A length of 130 ft. of ore has been opened at the 1,300-ft. level.

Good Ore at 850 Level

A fine length of ore has now been opened up in the new ore structure to the west at the 850-ft. level which showed 47 ft. running 0.689 oz. in a crosscut to the northwest. Subsequent drifting has opened up 300 ft. of ore carrying 0.60 oz. grade or better over drift width. Heavy coarse gold occurs freely in the quartz cross fractures. Test holing in the walls has indicated widths well beyond those opened in drifting.

On the 700-ft. level, the No. 15 ore body has been extended to the east, carrying high-grade values over narrow widths. Length is 279 ft. grading an indicated 0.857 oz. over an average width of 3 ft. from close interval drilling.

The crosscut north on the 250-ft. level has been advanced 500 ft. and is now close to the objective of the footwall of the main ore bodies. Drifts will be driven east and west with drilling to the north to be completed from the drift.

The 1,450-ft. level is the deepest on which active development is being carried out due to the labor shortage.

New Stopes Prepared

Stopes for mining are now well advanced on the No. 14 and 21 ore bodies on the 1,000-ft. level. In the former, widths up to 70 ft. are being mined over 50% of the ore body's length. The No. 21 stopes are to be carried through to above the 700-ft. level. Stope preparation is under way on the 1,000-ft. level of the No. 17 ore body in the eastern section of the mine. The latter is below mine average grade but will provide a large tonnage with low mining costs.

Diamond drilling to the 2,000-ft. level, as reported previously, has returned fine ore intersections in a number of ore bodies but the labor shortage has deferred the opening up of this section of the mine. Further ore is no problem, however, with present reserves adequate for 11 years' milling requirements down to the 1,450-ft. level.

Mine Lower Grade

On June 1 labor shortage necessitated reduction in the milling rate from 2,100 tons to 1,650 tons daily. Decline in the operating rate is also reflected in a drop in recovery to $7.39 a ton for the first half of this year compared with $8.24 in 1942 and $8.07 in 1941. With the restricted number of men available, manpower is being used in stopes where heavy break per machine shift can be assured. The higher grade stopes, of lesser widths, are not being mined. The restricted program of mine exploration and development is reflected in lower operating costs—$2.399 a ton for the first half of 1943 against $2.93 for 1942.

Profit after all charges for the first half of this year was 23.4 cents a share compared with 50.6 cents for all 1942.

Howe Order Confuses West Coast Shipbuilders

Lessened Cargo Ship Demand, Calling for Reduction in Working Crews, Has Upset Production Schedules, Irritated Unions

From Our Own Correspondent

VANCOUVER.—The steel shipbuilding situation on Canada's Pacific coast has been somewhat confused by announcement of Hon. C. D. Howe, Minister of Munitions and Supply, that demand for cargo ships has lessened and that in future the yards will plan to complete their hulls in 80 days instead of 60.

Accompanying this statement has been the announcement at various yards that working crews are being reduced. Organized labor has been somewhat upset by the turn of events and, recalling the urgent pleas for more and faster production uttered only a few weeks ago, it is beginning to wonder what it is all about.

Mr. Howe partly explained the situation when he pointed to the success of the United Nations' campaign against the U-boat in the Atlantic and he added that highest priority had been given to alteration work on aircraft carriers and diversion of expert shipyard workers might cause some reduction in the output of freighters.

Shipbuilding Changeover

General supposition is that the steel shipbuilding industry here may be in the course of changeover to more direct connection with the naval program as a result of likelihood of large-scale operations in the North Pacific against Japan.

Reports from the Quebec conference that Britain had asked Canada for permission to strengthen the naval establishment in British Columbia may be a straw in the wind. But explanations so far given have not satisfied the inquisitive shipyard unions.

Bitter Union Comment

"It is very obvious that the high priority work spoken of by the minister cannot absorb all those who have already been laid off, nor all those who are threatened with layoff," said one union spokesman.

"The fact remains that there is definitely a labor shortage in British Columbia, so the only explanation for the actions of the employers is that they are going into an offensive action against the trade unions."

This may be a hasty conclusion, but it is due to lack of comprehensive explanation for the somewhat drastic change in the production program.

Only a few days ago it was announced that west coast shipyards needed 3,000 more women workers, but now it is understood that such a number may not be required after all. One or two of the yards have halted plans for providing new accommodation for women.

Produce Hulls in 70 Days

A Victoria shipyard, building steel tankers, has been informed by Wartime Merchant Shipping, Ltd., that in future it will run out hulls in 100 days, rather than in 70 days, as formerly. Shortage of skilled welders was given as the reason.

Meantime the companies are taking a firmer attitude toward absentees. More than 100 men have been fired from one west coast yard for "chronic absenteeism" and more will go unless they can establish justification for their absence.

Gold Mines Can Use Men

If there is a large-scale layoff of men in the shipyards here—and executives still insist that this is unlikely—there will be plenty of jobs in other industries for the ex-shipbuilders. Gold mines are being closed down for lack of men; base metal operations are facing serious curtailment due to a worsening manpower situation; logging camps could readily absorb more than 3,000 men, The Financial Post is informed, and there is need for more men in aircraft and other industries.

Although there has been no official acknowledgment of serious need of men in the shipbuilding industry, the west coast meanwhile cannot help being curious regarding the prospects for an industry that in the past year or so has eclipsed even the forest trades in employment and in volume of payrolls.

Inter. Mining Status Better

Market Value Up Over $2 a Share at $8.28 — Profit Shown

Sharp improvement in asset and earnings position is shown by International Mining Corp. in its report for the six months ended June 30, 1943.

Net asset value at June 30 was $4,058,503 or $8.28 a share compared with $5.80 a share a year previous, while a net profit of $67,229 was realized for the first six months of this year against a loss of $26,061 a year ago.

Profit on Stocks Helps

A profit of $130,523 realized on sale of securities was an important factor in establishing a profit for the first six months of 1943.

Market value of securities and "fair value" for Bulolo stock (something under the market quotation on the Montreal Stock Exchange) amounted to $1,924,417 equal to 47.42% of the net asset value at June 30, 1943, after allowing deduction for estimated federal income tax. Investments in and advances to affiliates was the next largest item at $1,422,091 or 35.04% of reported net asset value. Net cash and U. S. Government security position was $613,618 or 15.12% of net asset value.

Shareholdings in company's portfolio listed on stock exchanges on June 30, 1943, were as follows:

Listed on	Number of shares	Quoted market value
N. Y. Stock or Curb:		
Hudson Bay M. & S.	4,500	$117,000.00
Salt Dome Oil Corp.	41,079⅘	308,097.49
St. Joseph Lead ..	3,000	102,000.00
Silver King Coalition Mines	5,500	21,312.50
S. A. Gold & Platinum Co.	36,637	137,388.75
Superior Oil Co. (California)	1,700	132,600.00
Listed on Canadian Exchanges:		
Kerr-Addison Gold Mines	14,200	$82,659.62
Noranda Mines	3,650	149,059.06
Pato Consol. Gold Dredging	10,000	22,562.50
Placer Development	24,870	202,006.58
Waite Amulet Mines	6,000	24,367.50
Bulolo Gold Dredging	50,000	*600,000.00
		$1,899,054.00

*At directors' valuation.

MacDyke Oil and Mining Industries is reported planning deep well drilling (to 1,500 ft.) for its oil shale properties in the Moose River, James Bay district, of northern Ontario.

Norbenite Malartic Mines optioned 2.7 million shares to D. J. Coulter by agreement Aug. 10. Payment is to be made at a minimum of $2,000 a month, with payment of 5c a share on 400,000 shares and the balance at from 10c to 65c a share.

Mining INVESTMENTS

Canada's base metal mines may find themselves in a much better earnings position after the war than those in the U.S., it is now indicated. By granting wage increases of up to $1 per shift to non-ferrous metal miners, the U.S. industry has experienced a greater rise in mine labor costs than has been experienced so far in Canada.

Only the generally higher metal prices prevailing in the U. S. and the system of paying high bonus metal prices to encourage extra production has allowed the U. S. producers to maintain earnings in the face of higher wage costs, it is believed.

In Canada, the cost-of-living bonus has been granted but this bonus will be automatically eliminated from base metal mining company costs in the event of an extended drop in the cost of living. In the U.S., however, there is no assurance of any reduction in wage rates should business become poorer; many base metal mines there might face a difficult problem of readjustment should a severe drop in metal prices occur after the war.

In Canada, where metal prices have been held down to the pre-war level, readjustment may not be so difficult after the war. Many mines, however, will find it necessary to catch up with normal development.

* * *

New mine possibilities of the Larder Lake area have been enhanced considerably by the opening up of high grade ore at Omega Gold Mines, many mining men think. It is suggested that the big four-mile gap, on strike, between Omega and Kerr-Addison may have much better mine possibilities than had previously been conceded.

To support this view, it is pointed out that the Omega high-grade ore strike at the west end has been secured in dolomite formation, the same formation which has proved so prolific at Kerr-Addison. Some diamond drilling is being carried on currently at the east end of this stretch of undeveloped "break" by Armistice Gold Mines and Arjon Gold Mines, but other companies such as Amalgamated Larder, appear to have a much longer section available for exploration.

The Barber Larder, Cheminis and Fernland Mines which were consolidated in Amalgamated Larder, each exposed some ore, and it appears chances are worth further investigation. It may be that the best possibilities exist below the 1,000-foot horizon, a section not yet investigated.

* * *

Quebec Department of Mines has just issued two new key geological reports as guides for prospecting and development.

One of the reports deals with the Flavrian lake area in Beauchastel and Duprat twps., northwestern Quebec, while the second report deals with the less well-known Kitchicama lake area which is about 90 miles due north of Amos, Quebec.

In the Flavrian lake area, the report notes that gold, copper and molybdenum mineralization have been found but no commercial ore body containing these metals has yet been located. In the Kitchicama lake area, many localities which might be productive of gold or copper deposits are noted.

* * *

Siscoe Gold Mines, which contributed so much to gold mining in Quebec in the early days, is now reported working on a salvage basis as widespread exploration both laterally and at depth has been unsuccessful in opening new ore bodies.

Hopes that something new may be found have not been given up entirely, however. Surface drilling is being continued and further exploratory development to the north is being considered for the bottom level at 2,475 ft. depth. Some encouragement has been secured in drilling exploration of this zone at depth.

Siscoe still has substantial ore reserves, and broken ore on hand alone is sufficient for about nine months' operations. Besides this, the company has a treasury position of over a million dollars to continue its existence when and as milling comes to an end. Undoubtedly the mill will constitute a valuable asset if another gold property is developed. Satisfactory results are being secured at the company's new Tetreault mine and the company is active in outside exploration.

While it is to be regretted that the handwriting may be on the wall for the main mine, shareholders can take some encouragement in the substantial assets remaining and the policy followed of trying to open up further mines.

The Week in Oils

From Our Own Correspondent

CALGARY.—On the recommendation of the McGillivray Royal Commission, the Alberta Board of Public Utilities Commissioners sharply reduced Turner Valley Oil Pipeline gathering, transport and loading charges back on July 3, 1939, and at the same time reduced the pipeline loss rate from 1% to ¾'s of 1%. The pipeline system is owned and operated by the Valley Pipeline Co., subsidiary of the Royalite Oil Co.

This week it was announced that the Utilities Board has decided to conduct a new investigation into the pipeline and loss charges and "thereafter to fix such just and reasonable rates which shall be imposed, observed, and followed by the Valley Pipeline Co." The Board has invited all interested parties to attend at the Calgary Court House, Sept. 8, when, after hearing from the interested parties, the Board will fix a time and place for the commencement of the investigation.

Pipeline charges were reduced by 8c per bbl. in July, 1939, the reduction being passed on to the producer through an equivalent boost in the posted crude oil prices. The Turner Valley-Calgary pipeline transportation charge is now 9½c per bbl. (compared with 15c prior to July 3, 1939). The handling and loading charge is now 2½c per bbl. (compared with 5c previously).

* * *

South Well Promising

Imperial-Hudson Bay No. 15 key South Turner Valley test, has completed drilling and has been placed on production with a flow that assures it a place among the largest producers in the field.

Drilling was completed at a depth of 8,252 ft., 454 ft. in the Madison lime. The well penetrated a good upper porous section between 7,900 ft. and 8,000 ft., but found only slight traces of porosity in the lower part of the lime.

A major surprise, therefore, was provided when the well was kicked off, rapidly cleared out the input oil, and commenced flowing new oil at 70 to 75 bbls. per hour. Available tankage was rapidly filled, and the well had to be temporarily shut in.

The initial acid was then applied—4,000 gallons to the upper porous section and 500 gallons to the lower lime. Due to shortage and the difficulty of handling the new large yield in the pipeline system (both temporary problems, of course), the well has only been operated spasmodically since the acid treatment. High rates of flow, considerably in excess of the pre-acid yield, are unofficially reported.

* * *

Gets Oil Trace

Shell Oil of Canada's Herronton test, Shell-McWilliam No. 1, entered the Devonian formation last week at a depth of 7,114 ft. encountering a promising but non-commercial oil show at the contact. The crude oil show was in the dolomite, at the top of the anhydrite. Drilling is now proceeding in the anhydrite at a depth of 7,200 ft. The first principal potential oil and gas zone in the Devonian is looked for around 7,500 ft. The Madison limestone at this well, drilled between 6,141 ft. and 6,750 ft. was "dry" except for a small volume of natural gas. Shell-Norman No. 1 at Jumping Pound was drilling at 11,180 ft. last week end, still reported in the Kootenay.

* * *

B. D. No. 6 Under Way

British Dominion No. 6, third joint Home Oil-British Dominion Oil test to get under way in Section 17-21-3w5, was spudded in on Aug. 25, and was down to 293 ft. by last week end. The well offsets British Dominion 5 producer to the east and Atlas-British Dominion 3 producer to the north. The British Dominion No. 7 spudded in Aug. 14, was at 961 ft. on Friday.

Major Oil Investment No. 6 north extension west flank test long delayed by fishing operations and financial difficulties of its original drilling contractor, is now back on the active list and is rapidly approaching its Madison lime objective. Drilling is now proceeding below 8,165 ft. with the Brown sand confirmed at 8,030 ft., and the Madison looked for around 8,250 ft. Operations were suspended some months ago at 8,022 ft., with a difficult fishing job unfinished, when the contractor went into receivership. The sponsors of the venture provided some $50,000 for continuation of operations. Completion of the fishing and cleaning operations used up this. Recently an agreement was reached with Newell & Chandler, drilling contractors, whereby this company provided a string of casing (now runs to 8,024 ft.), and resumed drilling at its own expense. Should production be obtained, this company will recover costs of casing and drilling, plus a bonus, from initial production.

O'Brien May Deepen Shaft

Opening of the Bottom Levels Sustaining Ore Position

From Our Own Correspondent

CADILLAC.—Consideration is expected to be given shortly to deepening the interior shaft at O'Brien Gold Mines from its present bottom of 2,500 ft. and to establishment of four new levels at 2,625, 2,750, 2,875 and 3,000 ft. depth.

This work may be undertaken later in the current year and would permit development to depth of the Nos. 1 and 4 vein systems.

Opens Nos. 1 and 4 Veins

Mine development this year has been concentrated on opening the four present lower levels at 2,125, 2,250, 2,375 and 2,500 ft. depth with the opening up of the No. 1 and 4 vein systems at these horizons. Stope preparation is practically completed on the south or No. 1 vein. A total of 400 ft. has been shown on each level grading 0.35 oz. gold across an average width of 4 ft.

The No. 4 vein, in which there was a spectacular concentration of gold on the upper levels, has been drifted out on the lower levels. Continuity to depth of this narrow quartz structure has been shown with narrow gold values along the extensions. The 2,375-ft. level is indicated as having an ore length of 350 ft. to 400 ft. of mine average value. On the 2,500-ft. bottom level, to the east, there is a short section carrying heavy, coarse gold, with the vein structure characteristic of that occurring in the high-grade "chimney" on the upper levels.

More Work, No. 3 Shaft

In the No. 3 shaft workings, located 2,000 ft. to the west, the H vein is being opened up in a sub-level, established at 100 ft. above the 1,500-ft. level. The vein structure has been drifted on for 100 ft. showing erratic, high gold values. Further exploratory work is to be done in the western section of the mine.

At the beginning of the current fiscal year, ore reserves were estimated at 241,014 tons averaging 0.354 oz. Opening the No. 1 and No. 4 veins at the lower levels has served to maintain these reserves.

Mining Concentrates

Cathroy Larder Mines has agreed to sell 200,000 shares of stock at 15c a share to C. R. Jenner by agreement of Aug. 10. Payment is to be made in cash, or by delivery of bonds for cancellation or cancellation of existing preferred or secured liabilities of Yama Gold Mines. Payment of $3,000 will be made immediately and the balance in monthly installments of a minimum of $1,000 until Aug. 17, 1945. By the same agreement a further option was given on 100,000 shares at 15c each to be exercised in full by Nov. 17, 1945. Permission was granted for the above arrangement provided sales to cash subscribers shall not be higher than 35c a share.

* * * *

Chem-Ore Mines, by an Aug. 4 agreement, optioned 800,000 shares to G. F. Cockburn & Co. at prices from 15c to 50c a share, payable within 32 months.

* * * *

Donalda Copper Mines, by an Aug., 1943, agreement, has undertaken to sell to Charles M. Rashall & Co. 383,333 shares at from 5c to 7½c a share, payable to Jan. 9, 1944. A further option was given on 716,667 shares at from 7½c to 25c a share, payable by Dec., 1944.

* * * *

Gordon Lebel Mines shareholders have been given the right to purchase further treasury shares at 5c on the basis of one additional share for each 15 shares held at Aug. 18.

* * *

Reco Mountain Base Metals Mines, by agreement Dec., 1942, optioned to Gold Frontier Mines $91,500 of Class "A" debentures at $100 for each debenture, payable $5,000 monthly, with balance on June 1, 1944. By agreement of June 28, 1943, Gold Frontier Mines sold to H. R. Bain $50,000 of Class "A" debentures for $30,000, payable $15,000 immediately and the balance by Aug. 31, 1943. By the same agreement H. R. Bain agreed to purchase 500,000 shares of Reco Mountain Base Metals Mines for $20,000, payable $10,000 immediately and the balance by Aug. 31, 1943.

Public Utility Earnings

Shawinigan Power

Revenue & Expense—Six Months Ended June 30

	1943	1942
Gross revenue	$12,172,652	$12,023,771
Less: Gen. & oper. exps.	2,411,857	2,139,849
Power purchased .	2,177,074	2,035,771
Water rentals	278,211	250,689
Taxes	417,713	506,475
Net earnings	6,887,797	7,090,987
Less: Fixed chgs. ..	1,775,328	1,787,413
Exchange	130,910	130,700
Depreciation	1,450,000	1,400,000
Net profit*	3,531,559	3,772,874

*Subject to inc. & E. P. taxes.

Canada Northern Power

July

	1943	1042
Gross income	$340,048	$372,723
Oper. expenses	133,466	151,950
Net income	206,582	220,773
Seven Months Ended July		
Gross income	$2,511,239	$2,681,484
Oper. expenses	991,539	1,056,118
Net income	1,519,700	1,625,366

Ontario Gold Production Lowest in Seven Years

July production of gold in Ontario hit a seven-year monthly low, according to figures released by the Ontario Department of Mines.

The month's total of $6,332,121 compares with a high of over $10 millions set in the early months of the war.

Average Recovery Down

Recovery of $6,332,121 in July was secured from milling 653,533 tons of ore for an average recovery of $9.69 a ton. It compared with recovery of $6,789,978 from 676,148 tons of ore and average recovery of $10.04 a ton for June, 1943.

Production for the first seven months of this year was $48,979,074 from 4,947,320 tons of ore, representing a reduction of 22% in value and 23% in tonnage from the corresponding period of last year.

Porcupine continues to be by far the largest contributor to the province's gold production. A total of $3,102,926 was turned out from 337,274 tons of ore by this camp during July. The Kirkland Lake-Larder Lake area was in second place with $1,951,982 recovered from 170,319 tons of ore. Other camps contributed as follows: Matachewan-Sudbury, $237,571 from 57,141 tons of ore; Northern Ontario, $1,039,642 from 88,799 tons of ore; and miscellaneous $17,463 from an unstated tonnage of ore.

With reports of tonnage reductions at individual mines coming in almost daily and reports that further mines will have to close due to labor shortage, there appears to be no indication that the downward trend of production will tend to "bottom out" before long.

MILITARY EVENTS NO LONGER DOMINATE MARKETS!

The successful invasion of Sicily and the overthrow of Mussolini should have inspired a market celebration.

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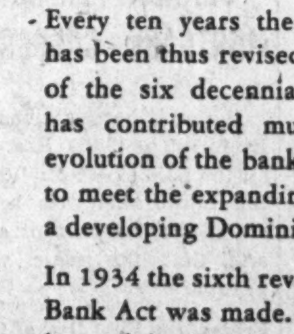
THE CHARTERED BANKS of Canada keep abreast of the Dominion's expanding needs.



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Alcohol to End Wheat Trials?

(Contniued from page 11)

future proteins as distillery by-products offer broad possibilities in the realm of human food and a surprising range of industrial products in addition to present animal feed uses.

Spotlight on Tests

The protein recovery process that may make the end-product—alcohol—look much like a by-product, is a result of recent U. S. government research, success of which, as a side-effect, may strengthen interest in the current chemurgic tests of our own National Research Council at Ottawa.

The Balls-Tucker sodium sulphite process for industrial grain alcohol manufacture, if as widely adopted as present enthusiasm in the industry indicates it will be, first will cheapen alcohol by eliminating barley malt, and then, by recovering more than 70% of the proteins of the grains, as against the present 40% recovery standard, will nearly double the supply available for food, feed and a wide range of industrial materials.

Tests are being completed and a report on concrete results is expected momentarily, Dr. Donald B. Keyes advises The Financial Post. Chief of the chemical division of WPB's office of production research and development, Washington, Dr. Keyes says the tests have been carried out during the past few weeks at three private plants, namely, Century Distilling Co., Peoria, Ill., U. S. Industrial Alcohol Co., Yonkers, N.Y., and Schenley Distilling Co., Stamping Ground, Ky.

By adopting the Balls-Tucker system, grain alcohol manufacturers may eliminate their costliest item of raw material—barley malt—and at the same time gain a food and feed protein yield sufficient to make alcohol a cheap by-product, it was reported after a recent preliminary demonstration at a Brownsville, Pa., distillery, by Park & Tilford Distillery Co.

These reports said that manufacturers hoped by the barley malt saving alone to reduce alcohol cost by 4c to 10c a gallon. One estimate forecast an average saving, on this account, of 10c a gallon with general adoption of the process and with attendant economies.

Irvin W. Tucker, youthful agriculture department chemist, working under direction of Dr. A. K. Balls, chief of the enzyme research laboratory, at Washington, is credited with the discovery.

If the possibilities attain full development, manufacturers and chemurgists say, large-scale production of grain-alcohol for synthetic rubber and other industrial materials will be a postwar prospect, one with a good deal of meaning for agriculture as well as industry.

It has been reported that the process, if fully developed and applied, is capable of reducing grain alcohol to the cost level of molasses alcohol and synthetic (petroleum) alcohol, and bringing North American grain surpluses within reach of industry.

It comes too late, of course, for tie-in with the Canadian wartime synthetic rubber program which currently is geared to petroleum.

At Louisville, Ky., Joseph E. Seagram & Sons Inc. is rapidly revolutionizing standard grain alcohol processes by means of cooking, mashing and fermentation developments which may effect far-reaching reduction in the size, complexity and cost of tomorrow's distillery.

Apart from these efforts, the same organization, in a new pilot plant, is testing intently a process of grain, into butylene glycol, into butadiene, which yields that synthetic rubber component at 17c a lb.

Canadian Research

Canada's National Research Council also has a pilot plant test going on this fermentation process.

Of the two Seagram investigations, the one concerning alcohol processes and equipment has attracted most attention to date.

This already has produced, for the advancement of distilling technique, an improved process for continuous cooking of grain by high-pressure steam.

Nowhere, apparently, does one thing lead to another to a greater extent than in alcohol, for, at the moment, Seagram's is trying to carry its development very much farther by evolving a continuous mashing and fermentation process. Should full development attend the highly promising effort, continuous mashing and fermentation before very long will have resounding impact upon plant design.

It may be possible in a few years to drop untreated material, fresh from the farm, into a hopper, and take alcohol and dry residue from the other end of a long tube. As soon as it does become possible, the cost of planning, building and equipping a distillery will have been reduced to a fraction of present scales.

Processes in Flux

The steam-cooking process already achieved is making its contribution to war-tempo of alcohol production.

In the making of grain alcohol, starch is the chemical source of the spirit but can't be fermented directly and must be converted into fermentable sugars.

This conversion process heretofore has been handled by massive pressure-cooking vessels requiring an hour or more for each cook. Tomorrow, super-steam continuous cooking will do the job in minutes instead of hours and with considerably less equipment. Batch vessels and other apparatus will be eliminated.

From pressure in the high-temperature cooker, the mash will continue to flow, or be flashed, from one chamber to another, and thus will be cooled by slow expansion. At the proper place there will be added an infusion of malt-water and, as the mash continues to flow, the starch therein contained will be converted to fermentable sugars in a matter of seconds.

Explosion Discussed

It might even be possible to eliminate grinding of the grain, The Post is told, by literally exploding it from a high-pressure vessel into one of lower pressure, and thus, still using some of the present-day type of equipment, arrive at something very close to the long tube, continuous cooking set-up sought by the industry.

Whether or not this proves feasible, the already-achieved steam cooking progress materially changes the equipment and time factors; instead of many tanks and a 65-hr. process the new system calls for only a few vessels and a substantially reduced period of fermentation.

Chief mechanical factors in the speed-up, it is explained, are heating equipment and powerful centrifugal pumps, the mechanical action itself stimulating yeast growth and activity.

Later research has indicated that the time-saving will be still further increased by acid-hydrolizing the grain mash.

17c. Butadiene

Chemicals more valuable than alcohol can be produced from wheat by fermentation processes.

Butylene Glycol, for example, can be more advantageously converted to butadiene than can alcohol—butadiene is the principal intermediate material of Buna-S synthetic rubber.

Butylene glycol also has many other possibilities in manufacture of solvents, anti-freeze, plastics and pharmaceuticals. Difficulty now isn't in fermentation but in getting the butylene glycol out in pure enough form to make an effective butadiene. The Louisville and Ottawa pilot plant studies of the moment may have this purification problem well in hand.

Seagram reports turning grain into butadiene via butylene glycol at a cost of around 17c. lb.

Writing to The Post from Louisville, J. A. Prochaska, of the Seagram technical-executive organization, reports the new pilot plant study progressing favorably and expresses belief that particular butadiene process shows more promise than either the ethyl alcohol or butyl alcohol processes. Cost figures which he submits, based on Aug., 1942, prices, appear to back up his claim so far as economy in basic cost is concerned.

Discussing fermentation processes for conversion of grain or other carbohydrates into butadiene, Prochaska shows the butylene glycol method (with aerobacter aerogenes—the bug that ferments starch to produce butylene glycol) as yielding 7.7 to 8.65 lb. per bus. of grain, at a cost of 15.7 to 17.7c. lb.

His comparable figures for two other available processes show a 6-7 lb. yield and 20-23c. lb. cost for ethyl alcohol (with saccharomycae cerevisiae), and a 2.09 lb. yield and 48c. lb. cost for butyl alcohol (with clostridium aceto-butylicum).

Opportunities Varied

Fourth year of the war finds grain pouring into the alcohol, munitions, rubber and other industrial programs on which to a large extent our victory is being built. At the same time it finds surplus grain stocks, except wheat, almost non-existent, suggesting that full development of any processes discovered may be postponed or hampered.

Tomorrow may find grain alcohol, a major energizer in the new world of industrial substances which will help to shape a flourishing peace.

Considering Canada's direct interest in available answers to the whole broad question of grain for industrial use, suggestion has been heard with increasing frequency that in this country, agriculture and industry might, with profit, jointly invest in a new chemurgic research bureau, similar in objectives to those already functioning in Great Britain and U. S.

Prominent among Canadian bodies interested in industrial application of crop surpluses is the national chemurgic committee of the Canadian Chamber of Commerce.

A member and front-rank authority in Canada, Prof. W D. McFarlane of Macdonald College, recently advocated formation of a Canadian agricultural research council, on which large industrial concerns would be represented, to bridge the gap between production research and utilization research.

Newsprint Box Score

Production

	July 1943 Tons	July 1942 Tons	Jan.-July 1943 Tons	Jan.-July 1942 Tons	Inc. Tons
Canada	262,323	241,178	1,705,993	1,899,352	193,359*
United States	67,883	76,952	480,372	560,832	80,460*
Newfoundland	24,752	20,106	117,837	175,364	57,527*
Total	354,958	338,236	2,304,202	2,635,548	331,346*

*Decrease.

Shipments from Canada

	July 1943 Tons	July 1942 Tons	Jan.-July 1943 Tons	Jan.-July 1942 Tons	Inc. Tons
To:					
Canada	15,077	16,649	110,511	119,219	8,708*
United States	239,391	201,756	1,487,319	1,618,616	131,297*
Overseas	29,748	25,215	142,812	128,642	14,170
Total	284,216	243,620	1,740,642	1,866,477	125,835*

*Decrease.

Production and Shipment Ratios
(Percentage of Capacity)

Production July 1943	Production July 1942	Shipments July 1943	Shipments July 1942
70.9	65.2	76.8	65.8

Shipments from Newfoundland

	July 1943 Tons	July 1942 Tons	Jan.-July 1943 Tons	Jan.-July 1942 Tons	Inc. Tons
To:					
Newfoundland	99	63	576	447	129
Overseas	14,380	7,060	43,967	41,793	2,174
United States	14,001	15,537	91,527	111,294	19,767*
Total	28,479	22,660	136,070	153,534	17,464*

*Decrease.

Stocks of Newsprint on Hand

	July 1943 Tons	July 1942 Tons	Dec. Tons
Mills:			
Canada	57,336	156,446	99,110
United States	10,778	17,820	7,042
Newfoundland	48,613	91,430	42,817
Total	116,727	265,696	148,969

Urge Action to Avoid Drastic Paper Shortage

American Trade Body Puts Forward 6-Point Program to Overcome Scarcity of Essential Pulpwood

From Our Own Correspondent

MONTREAL—A drastic shortage of paper faces the United States unless immediate and effective steps are taken to correct the situation, according to a special release of the American Paper & Pulp Association.

Only by adoption and enactment of a specific plan of action, region by region, can the situation be saved, says the association which recommends the following steps be taken:

1. Placing of pulpwood labor on the same basis as agricultural labor by the War Manpower Commission.

2. Office of Price Administration action on price questions affecting pulpwood production should be immediate and with due consideration to the effects upon production. Co-ordination of policy and action between the lumber and pulp and paper divisions of both OPA and WPB is essential.

3. Recommendations looking to conservation of fibre should be approved at once.

4. Prisoners of war, imported labor and evacuees eligible for relocation should be made available where conditions permit their use. The situation justifies transfer of experienced woodcutters from other industries and, in addition, furloughs from the Army of this kind of labor should be provided.

5. Action to encourage increased forest products production implemented by appropriation of $1 million for this purpose by Congress should stress pulpwood production.

6. Every necessary step to facilitate importation of pulpwood, particularly from Russia, should be taken.

Paper production is dependent on woodpulp production, and woodpulp production is dependent upon pulpwood production. Receipts of pulpwood during the first six months of 1943, the association went on to say, were 2.1 million cords or 24% less than for the same period of 1942. Mill inventories of wood declined by 1.1 million cords or 32% during this period. By the end of June unfilled orders for paper and paper board had reached nearly 1.2 million tons.

Continuing, the Association says:

"Woodpulp production during the first six months of 1943 amounted to 4,550,000 tons compared with 5,521,000 tons in the first six months of 1942. This represents a falling off in woodpulp production of almost 1 million tons or a decrease of 17.5%. Inventories of woodpulp now stand at the lowest point on record.

"Basic to the drain on woodpulp inventories is existing a potential shortage of pulpwood. With exception of the south and to a degree the Pacific northwest, pulp production, which means paper production, is dependent upon pulpwood cutting six months to one year in advance. If pulpwood cutting in the northeast and lake states is not initiated and fifty manned and equipped within the next eight weeks pulp production from these areas will probably not exceed 60% of normal in 1944.

"In the southern region wood production and use are possible and necessary on a current basis. Existing shortages are affecting the production of badly needed strong fibre pulp to a point where war and other requirements are already being seriously affected.

"In the Pacific northwest the great market pulp mills are either idle or operating at low production rates that permit them to hold an operating crew only with difficulty. In the meantime, the mills dependent upon purchased pulp face economic annihilation and the nation faces a paper shortage that will stagger the war and civilian economy."

Only by the adoption and enactment of a specific plan of action, region by region, can the situation be saved, concludes the Association.

Gaspe Bishop Voices Concern

From Our Own Correspondent

MONTREAL.—Speaking before a regional congress of the Quebec Forestry Association, Most Reverend F. X. Ross, Bishop of Gaspe, said that the forestry question in the Gaspe area is serious.

"The capital required for its exploitation," he said, "comes from outside. This is not a bad thing in itself, but it must not be forgotten that our forests, which constitute the most important of our natural resources, should be exploited in such a way as to benefit the inhabitants of this district. We have reached a turning point of our history. There is talk of a new order, but if we do not take care to study our problems, this new order will be a revolutionary order."

Securities & Exchange Commission reports that from June 11 to July 10, 1943, 19,000 class B shares of International Utilities Corp. were sold by Investors & Traders Corp. and Watite Corp., reducing the holdings of these companies by that amount. Investors & Traders reduced their holdings by 14,000 shares and Watite by 5,000. E. Lawrence White, a director of the company, is indirect owner of the shares of International Utilities held by the above companies, the commission reports. These amount to 55,479 class B shares, 4,136 class A, 1,702 $1.75 pref., and 303 $3.50 prior pref. Mr. White also holds the indirect interest in 55 $1.75 pref. and 40 $3.50 prior pref. held by Watson & White.

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Toronto Lists Western Steel

Application to list the 118,151 no par value common shares of Western Steel Products was granted by the Toronto Stock Exchange and the stock called for trading at the opening of the exchange on Aug. 27. Ticker abbreviation is WS.

A Dominion incorporated operating company, it is engaged in manufacturing a variety of metal products for industrial plants, building and construction. In addition, it produces a complete line of metal sheets and does roofing and ventilating work on contract. The company's plants and 2,500 employees are at present engaged almost exclusively on war contracts.

Dividends of 50c. a share were paid Dec. 1, 1941, and 1942, the amount in each case being about $59,000. Profits available for dividends from 1942 operations amounted to $264,607, while profits in the previous four years amounted to $251,650 in 1941; $372,595 in 1940, $141,611 in 1939 and $132,552 in 1938.

The company has properties and plants at Montreal, Toronto, St. Boniface, Regina, Saskatoon, Calgary, Edmonton and Vancouver. Subsidiaries of the company are George W. Reed & Co., Metallic Roofing and Henry Hope & Sons of Canada.

U. S. Committee Surveys B. C. Pulp Industry

Congressmen Convinced Manpower Vital to Pulpwood Production

From Our Own Correspondent

VANCOUVER.—Members of the Boren subcommittee of the United States House Committee of Interstate Commerce were impressed with what they saw of British Columbia's pulp and paper industry. As a result of their survey they are more than ever convinced of the basic importance of manpower in building up production.

The American Congressmen, fresh from their tour of the newsprint producing areas of Ontario and Quebec, found that on the west coast the pulpwood labor situation is somewhat different. Here production of pulpwood is in some respects subsidiary to other forms of log production, whereas in the east cutting of timber for the newsprint mills holds a dominant position.

Over-all Log Output Down

Because of its close association with other timber, pulpwood supply depends on the over-all situation in the logging industry. If log production generally is down owing to shortage of labor or some other cause, the supply of pulpwood drops accordingly. There is virtually no such thing in the British Columbia coastal area as a logging camp producing nothing but pulpwood.

It so happens that log production of all species has been down this year, with the result that the pulp and paper mills have been in short supply of raw material. An almost phenomenal absence of forest fires this summer is resulting in a rising curve of production which will partly compensate losses of last winter. It is probable that total production for the year, however, will be about 20% to 25% less than last year.

Few Logs for U. S.

Reluctance of the Timber Control to release logs for export to U. S. pulp and paper mills, despite pleas for such assistance from American operators and a few Congressmen, is understandable. Powell River Co., largest newsprint mill on the Pacific coast, is still limited to operating 5 2/3 days weekly.

Nevertheless, as a friendly gesture and not because there is a surplus of logs, B. C. will probably release 30 million ft. of hemlock logs to the U. S. this year. Half that amount has already been shipped. Manpower is still the key to the problem and unless the pulp and paper industry is rated essential and given authority to take men from other occupations the prospects of greater production are slim.

U. S. Pulpwood Stocks Continue to Decline

Stocks of purchased woodpulp held by mills reporting to the American Pulp and Paper Association for Aug. 1 decreased sharply compared with July. Stocks on Aug. 1 amounted to 135,783 tons, a decrease of 26,616 tons or 16% from the July 1 figure of 162,399 tons. Since the beginning of the year stocks have declined 41% from 231,759 tons.

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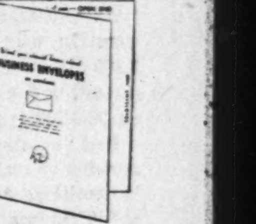

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Valves Go To War

Hundreds of New Tube Types

Makers Aim at 90% of Home Need in Radio Tug-o-war

By dovetailing production schedules, radio tube makers aim to meet 90% of the home radio replacement requirement, they tell The Financial Post.

"Obviously it isn't possible to make anything like the normal range, with the war load coming first, but, by dovetailing, it is most likely that something like 125 of the most important replacement types of tube can be continued in production," says an official of one of the largest companies in the field.

"These 125 key types are expected by the industry to satisfy about 90% of the requirement and keep a large majority of Canada's 2.5 million home radio receivers in operation."

Normally between 600 and 700 types of radio tubes—or valves, in military parlance—are required in the replacement market for home receivers.

Many New Types

Biggest job of Canadian tube makers just now, however, is maintenance in large volume of flow of "valves" for military equipment.

Expansion in variety as well as volume is called "vast" and, according to several authorities, there's no question that either these new tube types themselves or the experience gained in their manufacture, will play a large part in producing household and other postwar radio equipment.

At the start of the war there were in use in Canada at least 1,200 different types of radio tube, including the previously mentioned 600-700 types for replacement.

But variations in tube structure and hence in function are virtually limitless and, new war equipment having made immense demands on radio, the normal 1,200 varieties have been greatly expanded.

Actually hundreds of new types have been developed in wartime, The Financial Post is told, and several entire new factories have been designed around new types of radio tubes.

Tube-life Uncontrollable

Leaving aside the question of ruggedness against breakage, makers say that quality or life of the tube is dependent largely upon the number of electrons emitted by the cathode in use; when it stops "giving" the tube goes dead.

No one yet, The Financial Post is told, has found a way of gauging the number of electrons that will be emitted by a given cathode.

Makers know how to increase electron output but don't know how to fix the amount in a given tube.

Life of the tube, therefore, beyond a certain minimum, remains indefinite.

A recent survey showed average age of tubes in home sets to be 4½ years.

Tubes made for war purposes have been of highest quality but, home or war, all have had to pass the same general fitness tests, makers say.

As regards after-war benefit of recent progress in radio design and application—the famed television radio-locator and the "walkie - talkie" radio - communication device are only the most notable of many wartime radio developments. One opinion has it that Canadians will get distinctly more radio for their dollar.

Tube Output Soars

Normal pre-war Canadian radio tube output was just under five million annually, these going in division between home receiver manufacturers and the replacement market.

Exact degree of present and proposed production increase is, of course, an industrial war secret, but ideas of the scope of wartime output and of the degree of interference with normal distribution, may be gained from present news and signs of radio-equipped machines flowing from the factories toward victory — squadrons of planes, tanks, jeeps and seacraft —of rank on rank of land stations, and of radio detection and communications equipment rapidly becoming standard personal armament.

The edge over peacetime tube production in Canada is described by war-intent makers as a "walloping big" one, and planned production in total as "vast." The situation is, of course, duplicated in the U. S.

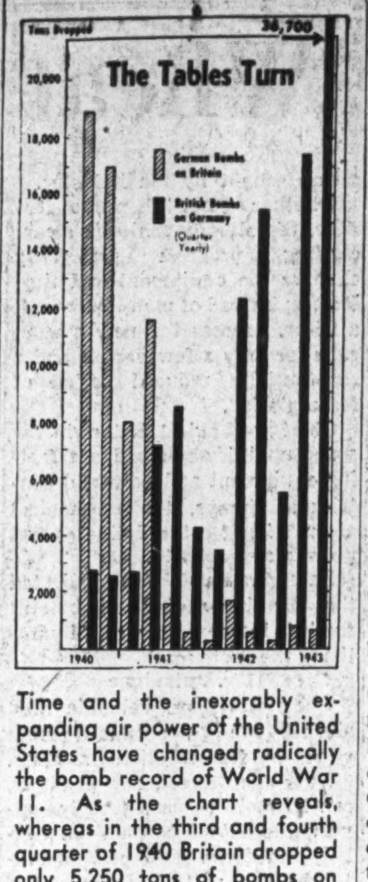
In view of the war load it will perhaps be accepted as natural that replacement tubes for home receivers in many cases have been in short supply.

Wartime expansion—there are several new plants at work on tubes and the pre-war factories have broadened their production facilities—has brought with it a serious labor problem.

Tube plants are located for the most part in large centres—Montreal, Toronto, Hamilton—where competition among war industries for help has become acute.

Then, too, tube manufacture is a fine assembly operation. Employing mainly women—for their patience of mind and manual sensitiveness—it calls for a high degree of skill and for many weeks of training.

Normally there is little personnel turnover in tube manufacture but intensified inter-industry competition for war workers has changed the picture and literally hundreds more women are wanted at once by the tube makers. They anticipate considerable difficulty in finding these.



Time and the inexorably expanding air power of the United States have changed radically the bomb record of World War II. As the chart reveals, whereas in the third and fourth quarter of 1940 Britain dropped only 5,250 tons of bombs on Germany, while the latter nearly pulverized parts of England with 35,900 tons, in the first two quarters of 1943 Britain registered 54,100 tons on the German bull's-eye while Germany retaliated with only 1,500.

Expose German Trickery In War Finance Report

Germany Pays for Her War Effort by Accumulating Clearing Debts and Forcing Taxpayers in Occupied Lands to Buy Reich Bonds

Germany is boasting that she is conducting her war finances on sounder lines than during the first World War. She pretends that 50% of her war expenditure is covered by taxes and similar revenues whereas the corresponding figure during the last war was only 13%. This statement is meant to prove that the mistakes which laid the foundation for the inflation of German currency from 1919-1923 are not being repeated in the present war. What are the facts?

In the financial year 1942-3 Germany's total Central Government expenditure amounted to 110 billion marks. This revenue was composed of 50 billion marks ordinary and 60 billions extra-ordinary receipts. Normally, the ordinary receipts mainly include taxes. Hence the German conclusion that nearly 50% of the pyramid of their present war finances is based on taxation.

In fact, Germany has resorted to a trick. Tax returns do not amount to more than 35 billion marks. This reduces the ratio of taxation to only 30% of the revenues. In order to raise the ratio to the level of nearly 50%, the charges imposed on the occupied countries have been added to the ordinary revenues. These charges amount to 12-13 billion marks a year. In other words, the foreign taxpayer was forced to take over a large proportion of German war expenditure. His compulsory contribution to the German war budget equals one third of the German tax payments.

This is not the whole story. As pointed out, Germany covers 60 billion marks of her war expenditure by contracting credits. An examination of this method of financing the war discloses that seven billion marks of the credits have been raised in German-controlled countries by selling Reich bonds. Thus, by adding up the occupation charges of 12-13 billion marks and the sale of Reich bonds in value of seven billion marks on foreign markets, it is seen that the German satellites were forced to take over nearly one fifth of the government expenditure of the Germans.

A third method in the relentless exploitation of Europe by Germany for the purpose of financing the war is the accumulation of German clearing debts. They result from German imports, but to a greater degree from the use by Germany of foreign services such as the employment of labor, transportation of troops on foreign railways or exploitation of industries in southern Europe.

In all these cases Germany does not allow transfer of money to the foreign creditors, but credits them with the amounts due on clearing accounts. Nearly seven billion marks a year is the amount of Germany's clearing debts.

Squeezing Occupation Charges

In 1941 and 1942 Germany had squeezed out about 25 billion marks in occupation charges from the occupied countries, and some 28 billion marks from the whole of Europe.

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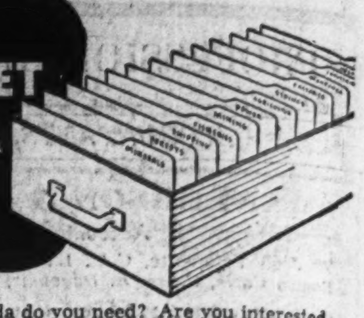

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Canadian Pacific

Exporters' Association Charts Broad Plans

Newly Formed Organization Hopes to Maintain and Expand Export Market and Clarify Wartime Regulations for Members

Because Canada in normal times, it is estimated, consumes only about 30% of her total production, export trade is of prime importance to the business of the country and the economic well-being of every citizen. With productive capacity increased enormously since the war, the problem of finding a market for her goods when the war ends is much intensified. Accordingly, formation of a Canadian Exporters' Association, recently completed, marks an important step in preparation for the postwar period when war demand will disappear.

This association, organized on a national basis at its initial meeting in Toronto which followed meetings of local groups in Toronto and Montreal, was attended by about 130 representatives of export interests.

Reasons for Movement

Two considerations behind the movement are:

1. Realization of the desirability of maintaining export trade in the postwar period.

2. Need of exporters to find some means of keeping abreast of new regulations which are constantly being brought into force and which affect Canadian, United States and overseas markets.

It was decided that the association should incorporate with the head office at Toronto.

Objects of the association set out are:

Bring united action to bear on the formulation of postwar trade plans and see that Canada is given equal opportunity with other nations to have a definite place in all such arrangements.

Co-operate with the Department of Trade and Commerce to this end.

Safeguard interests of exporters at home and abroad.

Form trade groups to consider particular export matters.

Exporters Responsibility

Promoters of the scheme laid down the principle that, while the government had done a great deal and could do still more to promote and maintain export trade, exporters themselves had to accept their share of responsibility.

It was decided to confine membership to exporting manufacturers, export selling agents, export buying agents and export forwarding agents. No attempt was made to get a large membership by going outside the field of specified exports. But it was felt every type of export should be represented, and that the association in turn should be fully representative.

Bolté Method

Chairman A. A. Bolté, of Toronto, laid down the best and most satisfactory method of procuring export business, by visiting overseas markets. He quoted the visit of Hon. J. A. McKinnon, Minister of Trade and Commerce, to the West Indies, South and Central America, as evidence that government believes the same thing. Mr. Bolté saw great need for co-operation between the exporters and the Department of Trade and Commerce. This, he emphasized, did not mean accepting every policy of the government, but that the exporters could give assistance in formulating departmental policy.

Minister Speaks

Hon. J. A. McKinnon, who also spoke, stressed the need of holding up the great production structure that had been built, and noted, among the existing problems, the disposal of excess shipping, best method of co-operating with the United Kingdom and other United Nations and how to meet competition in the export markets.

Barry Radio Address

In a radio address during the Ontario election Harry C. Barry, dealing with export problems, suggested that measures which could be taken by the government to assist export trade included:

Organizing and subsidizing an export trade company and school which would supply highly trained men to sell Canada's products abroad. The scheme could be subsidized by the government paying salaries and expenses until the school was on a paying basis. Subjects covered would include languages, trade economy, foreign selling, etc.

The number of trade commissioners abroad should be increased. They would guide but not control the export salesmen.

Import purchasing should be done through these salesmen to aid them in bargaining for export orders. Salesmen would be aided by the Canadian government in arranging the best possible tariff and exchange agreements.

He stated need for action was greatly increased by the fact that other countries had been making arrangements and laying groundwork for postwar trade since 1941.

Mr. Barry is Marine Manager of the Insurance Co. of North America's Canadian department.

Over There
it's on every soldier's tongue...

Industry is helping win the war...
industry must help build a peacetime world

After the war is decisively won...
what kind of world is essential for a just and durable peace?

This question is being asked today everywhere in the world. No expert is needed to tell you the answer.

It must be a world as peaceful and neighbourly as your own town; a world in which decent people can bring up their children decently. It must be a busy world where factories and farms are working and where there are jobs for all.

How can such a world be brought into being? The surest way is to think and talk about it. Full and complete discussions on the porches of this country, over its fences, in churches, schools, clubs, and always at meals—that is how the terms of A JUST AND DURABLE PEACE can be formulated.

In your discussions keep in mind this fact; your terms of peace must be such that the people of other lands can agree with them. There must be provision in your plans for sustained production and for consumption of that production.

Only a world peace that squares with the conscience of men of good will can be just. Only a just peace can endure.

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Over Here
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